PRELIMINARY AND PARTIAL REPORT

San Francisco Bay Area Employment Policy Survey, 1967

by

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I. Introduction

Background. This study of employer policies in the San Francisco Bay Area is part of a longer program of research on the labor market, initiated by the Institute of Industrial Relations in 1965.

Work on the project,[1] including the Bay Area Employer Policy Survey, began in early 1966, funded jointly by the Department of Health, Education, and Welfare and the Department of Labor. Since July 1967, however, the Employer Policy Survey has been supported by a grant from the latter's Department of Manpower Administration.

Planning a survey of employer policies that would yield data to indicate recent changes, describe current practices, and, perhaps, be predictive of future developments in the Bay Area labor market required the efforts of many individuals and groups. Initial decisions as to the survey's content and scope and concerning its orientation were made primarily by faculty and staff of the Institute of Industrial Relations.[2] Their efforts, however, were supplemented early in the planning stage by those of the survey's Employer Advisory Committee.

Members of this committee, individually and collectively, aided in the design and review of the survey's research instruments. They were unfailingly helpful throughout the interview phase of the study and often assisted us, through letters and personal contacts, in obtaining the cooperation of the survey employers.

Members of the Employer Advisory Committee were as follows:

Leonard Beanland
Pacific Gas and Electric Co.

William K. Brown
Continental Can Co.

Harold Buma
Bank of America

John Cantwell
United Employers, Inc.

A. E. Ellison
Pacific Telephone Co.

Harry Erickson
Associated General Contractors of America, Inc.

Jack B. McCowan
Fireman's Fund Insurance Co.

Clarence Millman
California Trucking Assoc.

Roy R. Reynolds
Kaiser Industries Corp.

John B. Richards
California Metal Trades Assoc.

John A. Scalone
California Processors and Growers, Inc.

Angelo J. Siracusa
San Francisco Bay Area Council, Inc.

William H. Smith
Federated Employers of the Bay Area

Stephen Snow
Northern California Motor Car Dealers Assoc.

Percy Steele
Bay Area Urban League

G. Luther Weibel
Macy's of California

Various representatives of state and federal agencies stationed in the Bay Area contributed invaluable technical assistance in connection with this study, som of them at the outset of the survey and others throughout its course. The officials who helped us are not limited to those named below. But the following were particularly generous in contributing their own time and that of their staffs or in sharing their resources of information and experience upon request.

Mr. Maurice I. Gershenson, former Chief of the Division of Labor Statistics and Research of the California Department of Industrial Relations and Mrs. Noel Barber, Head of Employment Statistics of that Division whose full cooperation in drawing the sample used in the Employer Policy Survey and in furnishing technical assistance as our study progressed was invaluable

Mr. Charles A. Roumasset, San Francisco Regional Director of the Bureau of Labor Statistics, U. S. Department of Labor and Mrs. Helen Charlton, Employment Analyst in that office who facilitated our efforts to obtain needed information from the Cooperative Employment Statistics Program without violating the confidentiality of individual employer returns, an often difficult achievement.

Mr. Russell M. Fitzhugh, U. S. Employment Service Assistant Regional Director and Mr. Walter Postle, Regional Economist, both of the San Francisc Regional Office of the Bureau of Employment Security, U. S. Department of Labor, who read the interview schedule in draft form and gave us their advice and suggestions.

Mr. James Neto, Coastal Area Analyst of the California Department of Employment and his staff who, upon our frequent requests, supplied facts and figures both published and unpublished concerning the Bay Area labor market.

The sample. A decision to interview a "representative" sample of employers, questioning them in depth and in breadth across a wide range of their labor market policies requires the resolution of many problems of schedule content and sample design. Providing comprehensiveness of coverage in the sense of assuring the adequate representation of those groups and types of employers that, together, best reflect and quite probably serve to create the Bay Area labor market climate involve in the main, three major factors. These are a correct delineation of geographic area, selection of the proper industry groups, and inclusion of the appropriate size classes of establishments.

As to our definition of the "Bay Area," we did not believe that the boundari of the five county San Francisco-Oakland Standard Metropolitan Area were entirely adequate to the purposes of the Employer Policy Survey. However useful for certain types of analysis it may be to stress the present conformity of an area's characteristics with respect to criteria emphasizing commuting patterns and employment densities, an announced purpose of the survey was the detection of emergent trends in the Bay Area having strong potential of future impact. And a disproportionate amount of what might be called the "industry of the future" is located in Santa Clara County (the San Jose Standard Metropolitan Statistical Area) directly south of the five-county San Francisco-Oakland area.

The San Jose area has experienced exceedingly rapid growth and economic expansion in the last two decades. In addition, there has been a decided merging of industrial, commercial, and residential development in the southern portions of Alamed

and San Mateo counties with that in Northern Santa Clara County. Omission of the San Jose area from our "Bay Area" would have had the effect of eliminating from the study the most rapidly growing section in the vicinity. Also, this omission implies drawing an artificial line at the southern boundaries of Alameda and San Mateo counties, a line without real analytical meaning for a study with the orientation of this policy survey.

Some argument could have been raised, although it was not, for including in our survey, Solano, Napa, and Sonoma counties to the north of the five counties of the San Francisco-Oakland area. These three counties do, when added to the six counties of our "Bay Area" constitute the so-called "Greater Bay Area," often the most appropriate delineation of local geography for policy making and planning. Whatever the promise these counties will change and grow more rapidly in the next decade than in the last, they remain today so much smaller in population and so much less significant in terms of industrial development than Santa Clara County that they were not included.

Hence, for purposes of the Bay Area Employer Policy Survey, the counties included are Alameda, Contra Costa, Marin, San Francisco, San Mateo, and Santa Clara

Inclusion of the last named added 30 establishments to the sample size despite the fact that a relatively smaller overall sampling ratio was used in the San Jose area than in San Francisco-Oakland. The decision to adopt the smaller ratio, though dictated in part by cost, also followed logically from another consideration. Basically, our incursion into this southern county was more to give weight to certain types of industrial activity not represented or under-represented in the five counties than to assign proportionate representation in San Jose to types of establishments whose counterparts were to be readily found in San Francisco-Oakland. Besides, many of these latter firms had San Jose branches, the employment of which could legitimately be included when the headquarters' offices were surveyed.

The desire to achieve comprehensiveness of coverage was a major consideration in our decision as to industry coverage. There was general assent that a comprehensive picture of present practices and probable future trends in employer policies could not emerge from our findings were any major industry group unrepresented in the survey.

It could be argued that the elimination of public employment from the universe of employers would greatly reduce survey costs and that we could, notwithstanding this omission, emerge at the end with a compendious collection of data relating to the private sector. Yet, such a limitation appeared damaging to the survey's purpose of accurately reflecting present manpower developments and possibly detecting their implications for the future. Government employment is growing with relatively greater rapidity than is the private work force. Also, various significant changes of policy are now being affected with respect to the former type of employment. It might have been argued also that costs could be reduced by omitting construction or, indeed, other industries. But, in each case the penalty of omission was to leave some critical gap in the web of employer practices and policies, the inter-relationships and potentialities of which we were attempting to explore.

The final decision, therefore, was to include all major industry divisions within the sample, to stratify the universe of establishments in accordance with

these divisions, and to select a proportional random sample of establishments from within each of the strata.

Planning of the sample design proceeded concurrently with development of the interview schedule. As work on the latter progressed, it became increasingly evident that our questionnaire would be difficult and time-consuming to administer. At best, that is to say with experienced and skillful interviewers in face-to-face contact with the respondents, a wealth of valuable data could be gathered. It was obvious, however, that the validity and the comparability of employer returns would be most difficult to evaluate were a mail questionnaire used as originally planned. Further, all respondents involved in preliminary tests of the schedule volunteered that a questionnaire of this scope and complexity would have to be administered by personal interview if employers were to respond at all. The question then became, what magnitude of interview and related workload would the survey's resources permit, and would this magnitude afford satisfactory representation of a significant universe of employing establishments?

The answer to the first part of this question appeared to lie in the neighborhood of 300 interviews. The application of this figure to the universe of employers having 100 or more workers on their payrolls yielded a sampling ratio which promised an end result of coverage for about one-third of all Bay Area workers employed in establishments of this size. As to the significance of this group of employers, there is much evidence to suggest that large establishments are the pacesetters. Their practices and policies, seemingly, exercise an influence out of all proportion to their number or, for that matter, to the disproportionately large number of workers such establishments employ.

In both San Francisco-Oakland and in San Jose, the relationship of establishment size to proportion of work force employed follows the pattern typical of metropolitan areas. Some 20 per cent of all establishments in these areas employ approximately 80 per cent of all wage and salary workers. Conversely, about 80 per cent of all employers account for roughly only 20 per cent of all such workers. The magnitude of the proportion of wage and salary workers employed by a comparatively few employers is even more marked at the upper end of the size class scale. The number of San Francisco-Oakland and San Jose area employers with 100 or more employees does not exceed 2 per cent of all employers. Yet these employers, together, have on their payrolls slightly more than one-half of all workers (Table 1-1).

These relationships between numbers of establishments and proportions of workers employed is indicated in the following table which shows, for 1965, the distribution by size class of San Francisco-Oakland and San Jose area employers subject to the provisions of the California Unemployment Insurance Code.

Although the universe of large establishments from which our sample was drawn also contained "noninsured" establishments employing 100 workers or more, the addition of these establishments did not weaken the relationship between firm size and employment as shown but, rather, strengthened it. It is appropriate to present this series for 1965 as the Institute's sampled employers were selected from a universe of establishments of 100 or more workers, utilizing the following information as adjusted to 1966 on the basis of then unpublished data for the latter year.

With the basic specificiations of the sample agreed upon, namely, that only

Table 1 - 1

Insured Reporting Units by Size of Employment, San Francisco-Oakland and San Jose Metropolitan Areas, September 1965

Size of firm	Insured reporting units in size groups			Employment in size group		
	Number	Per cent of total	Per cent cumulated	Number	Per cent of total	Per cent cumulated
	San Francisco-Oakland Metropolitan Area[a], September 1965					
Total - all size groups	56,621	100.0		851,667	100.0	
1,000 or more	68	0.1	--	154,477	18.1	--
500 - 999	116	0.2	0.3	78,624	9.2	27.3
250 - 499	239	0.4	0.7	81,090	9.5	36.8
100 - 249	761	1.3	2.0	115,049	13.5	50.3
50 - 99	1,439	2.5	4.5	99,423	11.7	62.0
20 - 49	3,852	6.8	11.3	118,054	13.9	75.9
10 - 19	5,671	10.0	21.3	76,480	9.0	84.9
4 - 9	13,474	23.8	45.1	77,891	9.1	94.0
0 - 3	31,001	54.9	100.0	50,579	6.0	100.0
	San Jose Metropolitan Area[b], September 1965					
Total - all size groups	13,758	100.0		227,500	100.0	
1,000 or more	22	0.2	--	70,951	31.2	--
500 - 999	21	0.2	0.4	14,958	6.6	37.8
250 - 499	50	0.4	0.8	17,486	7.7	45.5
100 - 249	157	1.1	1.9	23,444	10.3	55.8
50 - 99	324	2.4	4.3	22,087	9.7	65.5
20 - 49	929	6.8	11.1	27,815	12.2	77.7
10 - 19	1,401	10.2	21.3	18,878	8.3	86.0
4 - 9	3,423	24.9	46.2	19,746	8.7	94.7
0 - 3	7,431	53.8	100.0	12,135	5.3	100.0

Source: Insured Reporting Units by Size of Employment and Industry, September 1965, California Department of Employment, Coastal Area Research and Statistics Section, San Francisco, July 1966 (mimeographed).

[a]Includes Alameda, Contra Costa, Marin, San Francisco and San Mateo Counties.

[b]Includes Santa Clara County.

establishments having 100 or more workers would be included, but that employers in all major industries and in the six counties would be surveyed, we turned for assistance in drawing this sample to the Division of Labor Statistics and Research of the California Department of Industrial Relations.

This department produces jointly with the California Department of Employment all officially released state and area estimates of employment in California. As the Department of Industrial Relations holds the Bureau of Labor Statistics contract to administer the Cooperative Employment Statistics Program in California, it has access to the data needed to draw a sample from among establishments in a given size class that are not included under the unemployment insurance program as well as those which are. This capability was essential in our sample selection as all industries, both insured and noninsured were to be included in the study. Because of the confidentiality of individual establishment data, employees of the Institute, of course, could have access neither to much of the data permitting the estimation of the universe of employment to be covered by the survey nor to the individual firm listings from which establishments were selected on a probability basis.

Using both unpublished and published materials available in mid-1966, the Division of Labor Statistics and Research prepared estimates by industry as to the universe of employment accounted for by establishments employing 100 or more workers. In addition, the first sample of 300 employers was, with certain exceptions, drawn randomly from an array of employers representing this universe.[3] Then, using the same procedures, a second sample of 300 establishments was drawn so that in cases of nonresponse (which were surprisingly few) substitutions could be made from within the same 2-digit industry group of the second sample.[4] Such substitutions were made either randomly or, if circumstances appeared to warrant this departure, with a view to duplicating as nearly as possible, certain characteristics of the nonrespondent such as county of location or type of organizational structure. After all such substitutions were made and a few establishments were added, the number of establishments in our sample totaled 309.

From the above discussion, it will be noted that, in selecting our sample of employers, we did not always follow the rigorous techniques of sample selection that should be utilized when essentially quantitative findings are to be extrapolated statistically to the universe from which the sample is drawn. Despite this fact, however, we have amassed findings describing the policies and practices of a sizeable and randomly selected group of the Bay Area's most important and influential employers. On the average, each employer included among our establishments accounts for the employment of 900 Bay Area workers; together, these 309 respondents have on their payrolls nearly 280,000 employees, or about 20 per cent of the six counties' <u>total</u> force of nonfarm wage and salary workers. We shall, in addition, be most wary in drawing anything more than broad inferences and generalizations from our sample data as to the characteristics of all large employers.

Totals for the volume of employment covered by the interview sample and for the universe from which it was drawn were computed by the Division of Labor Statistics and Research of the California Department of Industrial Relations from individual employer reports available to that agency. (Table 1-2.) September 1966 industry totals for the sampled employers, as shown, are not identical to the employment reported by the same establishments to us in our interviews, as the

Table 1 - 2

Number, by Major Industry Group, of Establishments and Workers in Universe and Sample of Employers with 100 or More Workers in the San Francisco-Oakland and San Jose Metropolitan Areas in September 1966, and the Per Cent of Establishments and Workers Sampled

Industry	Universe of establishments of 100 or more workers		Sample of establishments of 100 or more workers		Per cent sampled	
	Number of establishments	Number of workers	Number of establishments	Number of workers	Establishments	Workers
Total	1,690[a]	873,837	309	279,123	18.3	31.9
Mining and construction	127	29,311	26	6,550	20.5	22.3
Manufacturing	523	255,068	119	95,113	22.8	37.3
Transportation, communication, electric, gas and sanitary services	147	114,586	27	41,538	18.4	36.3
Trade	335	97,061	46	34,556	13.7	35.6
Finance, insurance and real estate	152	51,470	25	28,177	16.4	54.7
Services	247	67,442	36	20,829	14.6	30.9
Government	159	258,899	30	52,360	18.9	20.2

Source: Unpublished tabulation of the Division of Labor Statistics and Research of the California Department of Industrial Relations.

[a]The total of 1,690 establishments comprising the universe includes the 1,525 firms employing 100 or more workers that were subject to the provisions of the California Unemployment Insurance Code in September 1966. (As can be seen from Table 1-1, there were 1,184 such firms in the San Francisco-Oakland Metropolitan Area in September 1965 and 250 in the San Jose Metropolitan Area, giving a total of 1,434 insured firms in the earlier year.) In addition to the 1,525 insured firms in size classes of 100 or more workers in 1966, the universe of larger establishments for that year includes 165 employers in such noninsured activities as government, transportation, and religious and charitable organizations, for a total of 1,690.

interviewing period covered a considerable time span. However, the relationships between sample coverage and universe presented, by industry for September 1966 (Table 1-2), are essentially the same as for July 1967, the month to which our employer-reported data were adjusted for purposes of assigning the size classes shown in the survey's frequency distributions.

On the average, establishments in our sample exceeded by about 300 employees the average for all Bay Area firms with 100 or more employees. This difference is accounted for in some degree by our occasional departures from the legal definition of an establishment.

The word "establishment" is not always used in this study in accordance with the legal definition of such an entity. In contrast to the usual practice, interviewers were instructed to include as the employment of a single establishment all of a firm's employment located in any of the six Bay Area counties providing that the personnel policies affecting the included work force were homogeneous and that accurate information as to these policies could be obtained from the corporate layer we were addressing.

Conversely (although not as frequently) branches or sections of firms that would be considered a single establishment for such purposes as reporting employment and wage data to a government agency were sometimes dropped because the heterogeneity of their policies and practices could not be accommodated to a single schedule, or because our respondent did not believe himself qualified to describe certain units of his organization in the requested detail. Hence, certain of our "establishments" might be better termed "multi-establishment organizations" while a few, in fact, represent but part of the total establishment.

In interpreting all the data collected in our survey, the limitations and special characteristics of the sample must be kept in mind. Nonetheless, the assumption appears incontrovertible that the employer reactions we have recorded, influenced as they were by both the short time and longer term developments characterizing the Bay Area during the interview period[5] can provide valuable insights into the changing currents now characterizing its labor market climate.

Methods and procedures. Primary research methods used in conducting the Bay Area Employer Policy Survey included structured interviews of a randomly selected sample of respondents, and subsequent analysis of the survey data through compilation of significant frequences and the cross-tabulation of pertinent variables.

A description of our procedures in some detail is in point, for it should serve both to fill out this bare statement of methodology and also to assist in interpreting and evaluating the data.

As mentioned above, the research instrument (reproduced in full at the end of the Appendix, following other appendix materials) that was designed to record employer policies and practices proved too formidable a document for use as a mail questionnaire. It consisted, in fact, of two lengthy sections: Part I, the interview schedule of 33-page length and Part II, a 19-page supplement of statistical tables to be completed at the option of the employer.

In designing the schedule, it was early decided (at the suggestion of the

Employer Advisory Committee) that those questions requiring resort to records by the employer should be left with him as a statistical supplement (Part II) for subsequent completion at his option. Also placed in the statistical supplement (and again at the suggestion of this committee) were requests for certain data which we had good reason to believe, based on the experience of our pilot interviews, employers would be most unlikely to furnish. The rationale behind the latter suggestion was the real benefit to be gained in covering those areas in which employers do not maintain records or, if they are kept, are maintained in such fashion as not to be readily accessible or to be noncomparable with those of other companies. It was generally believed that information covering the age distribution of employees and breakdowns of separations and accessions data by occupation and type of personnel action would usually be unavailable, and such was the case.

In any event, our experience respecting return of the Part II tables was not favorable despite the earnest efforts of many employers to complete them as requested.

For one thing, the scope of the subject matter was so broad that, as a rule, the services of more than one person were required in order to complete the full range of tables. As a result, persons who had not been present at the interview (where such matters were discussed as definition of the establishment, or definitions of the items to be recorded) became involved, without adequate instruction, in the completion of these tables. In many instances, particularly in connection with the wage tables, special machine runs or laborious hand counts would have been required in order to supply the data we requested.

Of the total of 309 interviews, 180 reasonably complete or partial Part IIs were returned. In addition, we gathered at the time of the interview the data needed to complete another 100 of the recruitment tables from Part II, a copy of which is reproduced at the end of the Appendix.

As a result of the low rate of return of Part IIs, tabulations of these data are not presented, with the exception of those relating to hiring channels as shown on the above-mentioned recruitment table. The supplementary statistical tables which were returned, however, as well as the numerous publications, brochures, labor agreements, and the like that were collected from the respondent establishments during and after the interviews were of much help in interpreting the interview schedules. Much of this information, particularly that relating to wages, will be used in the more specialized studies to follow this initial report of our findings.

But whether or not the survey employer was willing and able to complete the supplementary tables, the interview we proposed demanded much of his time and patience. Full knowledge that we were placing a heavy burden on hard-pressed executives of Bay Area business and government in requesting them to complete these documents explains, in large part, a number of our approaches both in seeking interviews and in conducting them. Our first step in approaching an employer was to direct a letter, signed by the Director of the Institute of Industrial Relations to, with very few exceptions, the establishments chief executive. (A copy of this letter is reproduced in the Appendix, immediately preceding the interview schedule.)

The letter was followed within a few days by a telephone call from the Project Director or another member of the Institute's staff who explained the survey's content; attempted some sort of prognosis as to the time the interview would likely take; mentioned our desire to obtain supplementary statistical information in addition to a completed questionnaire, and answered such questions as were asked.

Generally, numerous calls were entailed before a firm appointment date was arranged, either with the executive initially approached by letter or with the official or officials he designated. To the very great credit of Bay Area employers it can be said without qualification that our difficulties in arranging appointments stemmed far more from the problem of reconciling the crowded calendars of ready beleagured executives with the demands we proposed than from any reluctance they expressed to cooperate in the study. Notwithstanding this evident cooperation with the Institute and its survey, however, efforts to schedule our outsized demands for the respondents' time and energies at their complete convenience frequently produced inordinately long delays in confirming appointment dates. Such delays ultimately resulted in a longer interview period than would have been required to administer a less demanding schedule.

Our discussion, prior to making an appointment, of the purpose and scope of the study and the problems likely to be encountered during the interview virtually guaranteed a high measure of cooperation from the respondent once his consent to participate was obtained. At the same time, it did not result in uniformity, as to level or classification of the persons interviewed.

Our initial contacts were invariably with the highest level person in the organization whom it was at all appropriate to approach. Fortunately, the various members of our Employer Advisory Committee were often most helpful in determining the identity of that person and in reinforcing our requests with appeals of their own. We preferred having the higher level executive designate the person who was "to speak for the company" rather than initially striking lower in the organizational structure, even when it appeared more expedient or appropriate to do so. Such violations of protocol always risked, at best, the lesser official's need to obtain his superior's assent for participation. At worst, the result could be an interview with a respondent who was not fully qualified to discuss the broad range of policy matters covered in the schedule.

Because we pointed out in our preliminary discussions the survey's emphasis on employer policies respecting personnel and industrial relations' matters, a frequent choice of interviewee by the establishment's executive (if he did not decide, himself, to conduct the interview) was the ranking official in that field. This was sometimes the Personnel Manager, Industrial Relations Director, or Vice President in Charge of Personnel Relations or, where there was no Personnel Department, the employee most active in personnel, possibly the Office Manager. However, as we stated that portions of the survey concerned "operations" (for example, the section of technological change) the executive often advised, or the interviewee later suggested, that the Plant Manager, Division Manager, Chief Engineer, or some other appropriate official participate in the interview.

It might be argued, in the light of these considerations, that our data lack homogeneity in that perceptions of company policy and practices can be expected to vary substantially in accordance with perspectives acquired through

tenure in a given job classification. This is indeed true. But perceptions will also vary in relation to the amount of authority the employee actually possesses (which may differ widely from company to company despite across-the-board uniformity of job title), and also in relation to such factors as length of service, and empathy with the policies and practices of an employer. Our problem, though, was not to measure how the perceptions of occupants of a given position in various establishments differ in relation to a series of such variables. Rather, our concern lay in obtaining the most authoritative descriptions available of the policies and practices characterizing a group of establishments representing the entire spectrum of industry. This end appeared best served by concentrating our efforts on obtaining as interviewee an "authorized spokesman" for the establishment, whether its President or its Chief Clerk.

We did not, unless requested, send a copy of the interview schedule to the respondent in advance of our appointment. This policy was agreed on initially for the obvious reason that our questionnaire was a sufficiently fearsome document that its unattended arrival, we believed, could discourage a recipient whose consent was wavering. But shortly a more creditable reason emerged for withholding the schedule until the interview.

With the exception of one or two employers who did cancel out after seeing the schedule, the more usual response to its receipt was the employer's attempt to complete certain sections prior to the interview date. This procedure risked the respondent's wasting a substantial amount of time in efforts to go it alone before various definitions of reported items were mutually developed in workable form.

We did find, however, that the interview period could be materially shortened by giving the respondent a copy of the schedule which he read as the interview progressed. This added efficiency appeared to derive in part from the fact that communication was facilitated through visualization, particularly in the multiple choice answers. Also, when the interviewer became involved in extensive note taking in order to record some qualification or extension of remarks this time lag could be utilized by the interviewee in formulating his next responses.

Time, of course, was most definitely of the essence, both in describing the employer's probable commitment when requesting an appointment and later in conducting the interview. It was not easy to predict, in advance, how long an interview would last nor, during its course, to control its duration.

Interviews often, although not always, lengthened when the establishment was organizationally complex or represented an industry that performs services or adheres to personnel practices which deviate materially from those commonly found. More significantly influencing interview length, however, were the respondent's propensity to enlarge his answers with detail as his interest warmed to the task, and the mechanics of a specific interview such as amount of interruption, number of persons present, or number of visits required to complete an interview. A longer or shorter interview time than the usual two to three hours[6] did not, as a rule, affect the completeness with which the data tabulated in the body of this report were gathered. But length of time, quite understandably did govern the amount of illustrative and often valuable comment that was recorded.

In selecting interviewers[7] for the survey, we were ever mindful of the suggestion, however, phrased, that was made by every one of the respondents who participated in the pilot interviews. They inevitably adjured us not to use "ordinary poll takers" in this survey. The great majority of all interviews were conducted by persons with a broad background knowledge of the labor market or of personnel administration gained from long experience in private industry or government.

The interview itself, although structured through use of our schedule, was not characterized by that straight-jacketing of the respondent which can result from the rigidities of a precoded questionnaire. Employers had free rein to reject offered answer choices if none accurately described their individual circumstances or those characterizing their industries. In consequence, the interviewer sometimes found it necessary to devise on-the-spot improvisations or schedule modifications if the requisite comparability were to exist among the diverse conceptulizations and formulations that a single set of questions can evoke from 309 employers representing no less than 59 separate 2-digit industry groups.

Our rejection of a more rigid type of schedule enriched the store of data gathered in this survey. It also added to our data processing problems when the interview period was at an end. During our interviews we had accepted a sizeable bulk of free answers in order to record the various nuances and qualifications that accurately expressed the employer's viewpoint or his response to a specific inquiry. It then appeared unjustifiable waste at the data processing stage to sacrifice the richness of data so obtained to the exigencies of electronic data processing. At length, 222 pages of coding instructions resolved this dilemma as nearly as it could be resolved within the confines of allowable time and budget.

The survey data that follow, we can only hope, will provide sufficient insights into the changing Bay Area Labor Market that those employers and others who so generously contributed their time to the enterprise will believe their efforts to have been worthwhile.

II. Employment

Characteristics of survey establishments. The number of establishments included in our survey is distributed by major industry group in roughly the same proportion as are all establishments in the Bay Area with 100 workers or more. Consequently, when the survey employers express a particular response, their voices are reflected, by industry, in about the proper proportion to those of all other employers in this study. A few too many replies may come from employers in manufacturing and construction and not quite enough from those in trade and services. In the main, however, the various industry groups are proportionately represented by their constituents as might be expected of a group randomly selected from an array of employers representing all industries.

The correspondence between our survey establishments and all establishments of their size as to industrial distribution is not as close in terms of numbers of employees as it is for numbers of employers. Hence, some caution should be observed if one seeks to gauge the significance of a policy or practice not in relation to the number of employers responding but to the number of workers likely to be affected by its impact. Judged in this light, a policy peculiar to an individual industry whose total work force is significantly overrepresented by our group of employers may receive too great emphasis. Conversely, the impact of policies peculiar to government and construction may receive less weight than is warranted when related to the proportion of similar employment in the work force of all large Bay Area establishments. The need for caution is related to the fact that in some industries such as finance our selection was such as to result in a larger size of establishment on the average than that typifying all large employers in the same industry. In other activities such as government, the average establishment size was smaller than that for the industry as a whole.

The following three tables present in as great detail as is possible, without violating the confidentiality of individual employer returns, distributions by industry and by number of employees of the establishments included in the Bay Area Employer Policy Survey.

Employment change - number of employees. The first bit of employment history our respondents were asked concerned the extent and direction of change, if any, since 1960 in employment in their establishments. Some employers had figures at hand upon which to base their replies. Others forwarded the actual totals later as supplementary statistical information. But, in any event, the categories into which employers were requested to fit their answers were sufficiently broad that practically none hesitated, even if guided by memory alone to reply in broad generalities (Table 2-6) as to the course of their employment in the years since 1960.

In reporting changes, or lack of change, in the number of their employees, the survey employers were speaking against a backdrop of developments that was appropriate to the tenor of their answers. The number employed in the six counties had advanced by 30 per cent from July 1960 to midyear 1967 as compared with a 22 per cent rise in the same period for the nation as a whole.[1] Hence the largest number of establishments could very well have been expected to register the substantial increase of employment size that was reported and the second largest group, a slight increase. Not as readily to be anticipated was the fact

Table 2 - 1

Establishments Included in Survey, and All Bay Area Establishments with 100 or More Employees, by Major Industry Group, September 1966

Major industry group	Survey establish-ments	All establishments
All establishments		
Number	309	1,690
Per cent	100.0	100.0
Mining and construction	8.4	7.5
Manufacturing	38.6	31.2
Transportation, communication electric, gas, and sanitary services	8.7	8.6
Trade	14.9	19.8
Finance, insurance and real estate	8.1	8.9
Services	11.6	14.6
Government	9.7	9.4

Source: Unpublished tabulation of the Division of Labor Statistics and Research of the California Department of Industrial Relations.

Table 2 - 2

Employees in Survey Establishments, and Employees in All Bay Area Establishments with 100 or More Employees, by Major Industry Group, September 1966

Major industry group	Employees in survey establish-ments	Employees in all establishments
All workers		
Number	279,123	873,837
Per cent	100.0	100.0
Mining and construction	2.3	3.4
Manufacturing	34.1	29.2
Transportation, communication, electric, gas and sanitary services	14.9	13.1
Trade	12.4	11.1
Finance, insurance, and real estate	10.1	5.9
Services	7.5	7.7
Government	18.7	29.6

Source: Unpublished tabulation of the Division of Labor Statistics and Research of the California Department of Industrial Relations.

Table 2 - 3

Establishments by Industry --
Bay Area Employer Policy Survey, 1967

Industry	
All establishments	
Number	309
Per cent	100.0
Mining and construction	8.4
Manufacturing	38.5
Durable goods	18.4
Stone, clay, and glass products	1.0
Primary metal industries	2.3
Fabricated metal products except ordnance, machinery, and transportation equipment	5.0
Machinery, except electrical	2.9
Electrical machinery, equipment, and supplies	3.2
Ordnance and transportation equipment	2.6
Other durable goods[a]	1.6
Nondurable goods	20.1
Food processing	9.1
Textiles and apparel	1.0
Paper and allied products	2.6
Printing, publishing, and allied industries	3.2
Other nondurable goods[b]	4.2
Transportation, communication, electric, gas, and sanitary services	8.7
Motor freight transportation and warehousing	3.2
Water transportation	1.6
Transportation by air	1.0
Other transportation and public utilities[c]	2.9
Wholesale and retail trade	14.9
Wholesale trade	4.2
Retail trade	10.7
General merchandise	2.9
Food	2.3
Apparel and accessories	1.0
Furniture, home furnishings, and equipment	1.0
Eating and drinking places	1.2
Other retail stores[d]	2.3

Table 2-3, Establishments by Industry, continued.

Finance, insurance, and real estate	8.1
Finance	3.2
Banking	1.9
Other finance[e]	1.3
Insurance and real estate	4.9
Services	11.7
Hotels, rooming houses, camps, and other lodging places	1.0
Personal services	1.0
Miscellaneous business services	2.9
Medical and other health services	3.2
Educational services	1.3
Other services[f]	2.3
Government	9.7
Federal government	2.9
State government	1.3
Local government	5.5
City, county, special districts	3.2
School districts	2.3

[a]Lumber and wood products; furniture and fixtures; professional and scientific instruments; and miscellaneous manufacturing industries.

[b]Chemicals and allied products; petroleum refining and related industries; rubber and related miscellaneous plastics products; and leather products.

[c]Railroads; local and suburban transit; transportation services; communications; and electric, gas, and sanitary services.

[d]Building materials, hardware, and farm equipment; automotive dealers; and miscellaneous retail stores.

[e]Credit agencies other than banks; and security and commodity brokers.

[f]Amusement and recreation services; legal services; nonprofit membership organizations; and miscellaneous services.

Table 2 - 4

Establishments by Number of Employees --
Bay Area Employer Policy Survey, 1967

Number of employees	
All establishments	
Number	309
Per cent	100.0
Under 250	42.1
250- 499	23.6
500- 999	16.2
1,000-1,999	9.1
2,000-2,999	4.5
3,000-4,999	1.3
5,000 and over	3.2

Table 2-5

Establishments by Number of Employees[a] Within Major Industry Group -- Bay Area Employer Policy Survey, 1967

Major industry group		Major industry group	
All establishments			
Number	309		
Mining and construction	100.0	Trade	100.0
Under 250	57.7	Under 250	43.5
250 - 499	30.8	250 - 499	30.4
500 - 1,999	11.5	500 - 999	15.2
		1,000 and over	10.9
Manufacturing	100.0	Wholesale trade	100.0
Under 250	48.7	Under 250	53.8
25 - 499	23.5	250 - 1,999	46.2
500 - 999	13.5	Retail trade	100.0
1,000 - 1,999	6.7	Under 250	39.4
2,000 - 2,999	3.4	250 - 499	30.3
3,000 and over	4.2	500 - 999	18.2
Durable goods	100.0	2,000 and over	12.1
Under 250	47.3		
250 - 499	24.6	Finance, insurance, and real estate	100.0
500 - 999	8.8	Under 250	32.0
1,000 - 1,999	7.0	250 - 499	24.0
2,000 - 2,999	5.3	500 - 999	20.0
3,000 and over	7.0	1,000 - 1,999	12.0
Nondurable goods	100.0	5,000 and over	12.0
Under 250	50.0		
250 - 499	22.6	Services	100.0
500 - 999	17.7	Under 250	41.7
1,000 - 4,999	9.7	250 - 499	22.2
		500 - 999	17.7
Transportation and utilities	100.0	1,000 - 2,999	19.4
Under 250	33.4		
250 - 999	29.6	Government	100.0
1,000 - 1,999	14.8	Under 250	16.7
2,000 and over	22.2	250 - 499	23.2
		500 - 999	26.7
		1,000 - 1,999	16.7
		2,000 and over	16.7

[a]In order to increase the amount of detail that can be shown without disclosing the identity of individual establishments, size classes as shown above are not additive. For a size distribution that is additive to the total of establishments, see the preceding Table 2-4.

Table 2 - 6

Employment Experience of Establishments, 1960-1967 --
Bay Area Employer Policy Survey, 1967

Employment experience	
All experiences[a]	
Number	307
Per cent	100.0
Increased substantially	49.2
Increased slightly	16.6
Decreased substantially	10.7
Decreased slightly	3.6
Fluctuated, but with little net change	5.9
Remained relatively stable	14.0

[a]Total experiences exclude establishments that did not provide information.

that, among the relatively few employers reporting decreased employment since 1960, the majority would characterize these declines as substantial rather than slight. Quite possibly, though, such a development should be expected in times of rapid employment expansion. Even in a period of expansion, some employers may be plagued by circumstances peculiar to them as individual enterprises or by situations affecting a particular industry or location. In other cases, contraction of employment may be associated with technological change. And in the Bay Area, where so many activities are affected seasonally or are dependent on the vagaries of a contract work load, it can be no surprise that some respondents reported their employment since 1960 to have fluctuated, but with little net change.

Of the 307 respondents who described the experience of their establishments as to number employed in recent years, 264 mentioned some type of change while 43 reported relative stability.

As mentioned above, the large majority of those that did report employment change had experienced either a substantial or a slight increase of employees. A much smaller proportion of respondents spoke of declining employment and even fewer of employment fluctuations with little net change in work force from 1960 to 1967.

The question arises, how typical were the replies of our respondents when set against the larger backdrop of Bay Area employment developments in the years since 1960?

As indicated above, the total of six-county Bay Area nonagricultural wage and salary employment rose by 30 per cent from midyear 1960 to July 1967 (Appendix Table B-1). Major industry groups showing particularly pronounced increases were services, government, and durable goods manufacturing. Those experiencing about the same or slightly less than the general growth for this period were retail trade; finance, insurance, and real estate; and transportation. Substantially smaller increases were experienced in wholesale trade and construction, while nondurable goods manufacturing actually lost ground.

There are several reasons to explain the variations of individual survey employers from the trends for their major industry groups aside from reasons reflecting the atypical circumstances of a specific establishment in a given period. One of these is the fact that not all industries gathered under the cloak of a common major industry group have fared the same since 1960. The trend of Bay Area ordnance employment, for example, bears little resemblance to that of shipbuilding, yet the fortunes of both are merged in durable goods manufacturing.

Variations may also be related to number of employees. In industries such as construction, trade, and services, it is the larger establishments that tend to be more stable, and often they can expand while their smaller competitors maintain, at best, a precarious stability.

And there is the factor of location within the Bay Area with its relationship to variations in the experiences of individual employers within a common major industry group. Because of the importance of the location factor, it is treated in detail and at length in Section III following. For the present it is sufficient to note that, while there was a 30 per cent advance in six-county Bay

Area employment from July 1960 to July 1967, there was a gain of only 22 per cent in the San Francisco-Oakland Metropolitan Area and a 70 per cent rise in San Jose.

Thus respondents from a single major industry group can be expected (Table 2-7) to report a variety of types of changes in their numbers of employees since 1960. And it can also be expected that, in the aggregate, their experiences may not appear entirely representative of their respective industries as a whole.

More of the survey establishments from construction, for example, reported slight work force increases and fewer reported decreases than did all of those surveyed, a pattern not to be expected in an industry which, as a whole, experienced conspicuously little growth since 1960. A relatively large proportion, however, reported employment fluctuations over this period with little net change. And fewer than the general average spoke of substantial employment increases. Our survey employers, it should be noted, appear to have included a disproportionate representation of firms in heavy construction and in nonresidential building, which did not experience employment contraction to the same extent as many residential builders.

In terms of numbers of employers the responses shown for durable goods manufacturing underemphasize the significant expansion of this industry in the Bay Area since 1960. The subsequent section, however, will discuss the considerable differentials in employment growth that have characterized these manufacturers by specific industry and location within the Bay Area. Responses of nondurable goods manufacturers more closely followed, in the below-average number of employment increases and above-average number of decreases they reported, the pattern that would be expected in an industry group that has decreased in work force since 1960. Contributing to this decline have been the many instances of increasing mechanization in such process industries as food, chemicals, and petroleum refining that have permitted rising production despite stable or contracting employment.

Although larger proportions of establishments in transportation and utilities and in the finance group reported substantial increases in employment than might have been expected on the basis of the behavior of employment in those industry groups, there were sub-sectors within each of these complexes which were experiencing rapid expansion.

About the same relative number of respondents in trade as in the total of survey respondents reported substantial or slight employment increases since 1960 while somewhat more than the general average mentioned decreases. This response is not out of line with the performance of all six-county employment in trade since 1960. Marked differences have occurred within the industry, however.

While retail trade employment has expanded at about the pace of all Bay Area employment, wholesale trade has advanced more slowly. Reflecting this inter-industry differential is the fact that survey employers in wholesale trade more often than those in the total group mentioned substantial employment decreases. Many of these employers were in activities where economies of distribution such as changes to bulk shipments or cutbacks in the services afforded retailers are having a significant impact on employment. In addition, not all respondents in retail trade echoed the favorable employment experience of some. Retail trade,

Table 2 - 7

Changes in Number of Employees, 1960-1967,
by Major Industry Group --
Bay Area Employer Policy Survey, 1967

Major industry group	Total		Increased substantially	Increased slightly	Decreased[a]	Fluctuated, little net change
	Number	Per cent				
All industries[b]	264	100.0	57.2	19.3	16.7	6.8
Mining and construction	23	100.0	43.6	30.4	4.3	21.7
Manufacturing						
Durable goods	50	100.0	56.0	16.0	22.0	6.0
Nondurable goods	50	100.0	38.0	18.0	32.0	12.0
Transportation and utilities	23	100.0	82.7	13.0	--	4.3
Trade	41	100.0	56.0	22.0	22.0	--
Finance, insurance and real estate	23	100.0	60.9	13.0	17.4	8.7
Services	30	100.0	70.0	16.7	10.0	3.3
Government	24	100.0	70.8	29.2	--	--

[a]Includes establishments reporting both substantial and slight decreases.

[b]The total excludes those establishments reporting relatively stable employment since 1960 and those not providing information.

in fact, exhibited a decidedly mixed picture with the sometimes waning importance of central city sales outlets contrasted, in some instances, against the expansion of flourishing branches in the suburbs.

Almost three-quarters of all respondents in services and government, the two most rapidly growing industries in the Bay Area in terms of employment since 1960, reported substantial employment increases. Government employers, in addition, reported slight work force additions with greater than average frequency and no instances whatever of decreases. Employers from services, on the other hand, mentioned slightly less than the average proportion of slight employment increases and sufficient instances of worker decreases and of fluctuating employment levels to reflect the considerable variety of activities included in this major industry group.

Reasons for employment change - number of employees. Of the 307 respondents that characterized the course of their establishment's employment since 1960 in the categories of changes as shown in Table 2-7 above, 184 reported substantial employment changes. Of these, 151 mentioned substantial increases in work force and 33, substantial decreases. These 184 respondents were, in turn, asked concerning the reasons that, in their opinion, accounted for their employment experience.

Far and away the greatest weight for all appreciable changes in number of employees was assigned by the survey respondents to changes in the products or services supplied by their establishments (Table 2-8). A poor second when viewed as a cause of changing employment size was organizational changes within and beyond the immediate establishment.

Technological change as an agency of change so far as amount of employment is concerned was credited with but minor significance. To be taken into account in evaluating this conclusion are the manifold problems of disentangling the impact of such change from that of shifting demand. It is more than ordinarily difficult, at best, to determine the respective influences of these two factors on an employment movement representing the net result of the effects of both. In any event, a considerably more significant role was accorded to technological change when significant alterations in the occupational composition of employment were to be explained.

Increases in demand for the employer's products or services were seen as far and away the most important agent of rising employment levels, with almost four-fifths of all reasons for work force gains in this category (Table 2-9). Mentioned most often was quite simply the fact of a greater volume of business or activity. Other respondents specified causes for this greater volume, mentioning improvements of products or services, population growth, or Vietnam.

Structural changes relative to economic changes were given a minor place as causing appreciable employment increases. The latter, as might be expected in the rapidly growing Bay Area, were most likely to represent the opening of new units by the establishment. Mentioned as a poor third in producing employment increases were technological changes. Their significance, in this respect, was rated much lower than much of the literature on the subject would suggest, presumably because each employer was addressing himself, quite appropriately, only to the employment increases witnessed in a single establishment and not to those occurring in the larger context of an entire economy.

Table 2 - 8

Reasons for Substantial Changes in Number of Employees, 1960-1967 by Type of Change -- Bay Area Employer Policy Survey, 1967

Reasons for substantial changes	
All reasons[a]	
Number	240
Per cent	100.0
Reasons due to change in demand for products or services	72.2
Reasons due to structural change	18.3
Reasons due to technological change or need to increase productivity	6.2
Reasons due to other types of change	3.3

[a] Total reasons exclude those establishments that reported no substantial change in employment size and those not supplying the information. Total reasons exceed the number reporting, as some employers provided more than one reason for the employment change experienced.

Table 2 - 9

Reasons for Substantial Increases in Number of Employees, 1960-1967 -- Bay Area Employer Policy Survey, 1967

Reasons for substantial increases	
All reasons[a]	
Number	203
Per cent	100.0
Reasons for employment increases due to change in demand for products or services	77.8
Increases due to greater volume of business or activity	52.2
Increases due to new, improved or changed products or services	12.3
Increases due to population growth	6.9
Increases due to Vietnam-incurred demand for products or services	3.9
Increases due to other reasons in this category	2.5
Reasons for employment increases due to structural change	17.7
Increases due to opening of new units or establishments	12.8
Increases due to acquisition of other establishment or merger	3.4
Increases due to other reasons in this category	1.5
Reasons for employment increases due to technological change or need to increase productivity	1.5
Increases due to other reasons in this category	1.5
Reasons for employment increases due to other types of changes	3.0

[a]Total reasons exclude those employers not experiencing substantial increases and employers not providing information. Total reasons exceed the number reporting as more than one reason was given by some employers.

Reasons advanced by the 33 respondents reporting substantial employment decreases divided responsibility for these developments much more evenly between economic and technological changes than did the explanations mentioned to account for staff gains in the survey establishments (Table 2-10).

Only about 40 per cent of these explanations of declining worker levels as compared with nearly 80 per cent of all reasons advanced to explain an employment rise, placed the blame for the contraction experienced upon economic factors. Probably no more than this relatively smaller proportion could be expected in a period of generally rising business activity. This interpretation receives weight from the fact that greater stress was placed on decreases in the volume of a specific product or service, when declining demand was mentioned, than upon a more general falling off of business activity.

With changes in demand levels contributing less to employment decreases than to increases, both technological change and structural change played relatively more important roles in explaining declines. Conversion to or an intensified use of modernized equipment, excluding that used in electronic data processing, bore most of the onus for employment contraction related to technological change or a need to increase productivity. The latter in the shape of staff reorganizations or reductions did, however, receive significant mention. About a fourth of the reasons attributing worker reductions to structural change predominantely reflected acquisitions by other establishments or mergers.

Employment change - occupational composition. Following our inquiries concerning change and the reasons for change in employment size, respondents were questioned as to whether or not significant changes had occurred in the occupational composition of their establishments' employment since 1960. Definitions of "significant" in this context were the employers' own, and the respondents almost invariably followed such common sense canons as to include changes of job classification that may have been minor but affected large numbers; changes that were major even though but few employees were involved, or the addition of workers (whether large or small) in occupations not previously employed by the establishment.

One aspect of employer replies not reflected in our data is the number of volunteered comments to the effect that the skill requirements of jobs in their establishments across the entire occupational spectrum had measurably increased since 1960. Changes in job duties with consequent changes in the worker qualifications needed, so long as these were not reflected in actual job reclassifications, could not, however, be recorded as changes from one defined occupation to another. Hence, such developments are reflected neither in our discussion nor in any of the tables regarding "significant changes of occupational composition."

In the absence of census-gathered data relating to occupational changes in the Bay Area subsequent to 1960, it is not possible to state with any degree of precision the extent of such actual job changes as have taken place locally in the sixties. Information concerning the occupational changes that have occurred in the nation[2] since 1960 is available from the Monthly Labor Force Survey. The evidence of this survey and also of meticulously constructed estimates of occupational changes in the San Francisco-Oakland area[3] point to the continuance of those trends that so significantly altered the occupational composition of Bay Area employment from 1950 to 1960.

Table 2 - 10

Reasons for Substantial Decreases in Number of Employees, 1960-1967 -- Bay Area Employer Policy Survey, 1967

Reasons for substantial decreases	
All reasons[a]	
Number	37
Per cent	100.0
Reasons for employment decreases due to changes in demand for product or services	40.6
Decreases due to discontinuance or change in kind of product or services	21.7
Decreases due to lower volume of business activity	16.2
Decreases due to other reasons in this category	2.7
Reasons for employment decreases due to technological change or need to increase productivity	32.4
Decreases due to conversion to or intensified use of modernized equipment other than electronic data processing equipment	24.3
Decreases due to need to increase productivity or profitability which involves primarily staff re-organization or reductions	8.1
Reasons for employment decreases due to structural change	21.6
Decreases due to acquisition by other establishment or mergers	18.8
Decreases due to other reasons in this category	2.8
Reasons for employment decreases due to other changes	5.4

[a]Total reasons exclude those employers not experiencing substantial decreases and those not providing information. Total reasons exceed the number reporting as more than one reason was given by some employers.

A continuation of these trends, it might be argued, which operate to increase the proportion of workers in the so-called "higher-level" occupations and usually to depress the proportion to total (if not to reduce the actual number) working in lesser skilled occupations imposes a special strain on Bay Area recruitment efforts. Even in 1960, the Bay Area work force was notable for exceeding that of the nation[4] in its relative proportion of workers in professional, technical, and clerical jobs. At the same time, this area offered relatively fewer employment opportunities to semiskilled and unskilled workers. The responses of employers in many of the subject matter areas covered by this survey were unquestionably colored by their reactions to a situation in which they viewed themselves (already operating from a high base of hard-to-fill jobs) as seeking to upgrade further the occupational composition of their staffs, notwithstanding the rigors of a tight labor market.

But how did the employers included in this survey reply as to their actual experience respecting the shifting patterns of occupational distribution, and what were their opinions on this subject?

When we asked if significant changes had occurred in the occupational distribution of employment in their establishments since 1960, an affirmative reply was given by 99 employers while 208 replied in the negative. Thus, about one-third of the surveyed employers, representing a group of establishments which account for nearly 100,000 Bay Area workers, believed that the occupational changes experienced in these establishments since 1960 had been sufficiently marked to be characterized as "significant."

These 99 employers, it developed upon further questioning, were referring to a total of 158 changes in the occupational distribution of their establishments which they deemed "significant." The occurrences mentioned reflected changes in the relative amount of employment in a given occupational group, either upwards or downwards, or a shift by workers in one specific and defined occupation to another within the same major occupational group. Of these changes, 96 led to increases in the relative importance of a major occupational group; 48, to decreases; and 14 represented shifts within a major group.

It is of interest that the third of all survey employers reporting significant occupational changes since 1960 describe changes that reflect a fair uniformity of incidence, relatively, irrespective of industry (Table 2-11).

To be sure, below average in the relative number of references to significant occupational changes were employers from construction, with its craft structure of occupations. However, these respondents, more than most, described changes in heavy equipment in recent years that have greatly altered work methods and often required additional training of the workers affected. Yet, where the tasks involved continued to be performed by the same crafts and the numbers of workers in the latter did not change appreciably in relation to all workers employed, a negative answer was quite properly given to this question.

Also below the average one-third of all respondents reporting occupational change were representatives of services and retail trade, both industries with strong emphases on tasks that often cannot be readily mechanized.

About average as to their reporting of occupational change were respondents from manufacturing, transportation and the utilities, and from wholesale

Table 2 - 11

Significant Changes in Occupational Composition of Employment, 1960-1967, by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Major industry group	Total		Significant change	No significant change
	Number	Per cent		
All industries[a]	307	100.0	32.2	67.8
Mining and construction	25	100.0	20.0	80.0
Manufacturing				
Durable goods	57	100.0	33.3	66.7
Nondurable goods	60	100.0	31.1	68.9
Transportation and utilities	27	100.0	33.3	66.7
Trade				
Wholesale	13	100.0	30.8*	69.2*
Retail	33	100.0	27.3	72.7
Finance, insurance, and real estate	25	100.0	44.0	56.0
Services	23	100.0	25.0	75.0
Government	30	100.0	46.7	53.3

*Percentages based on fewer than 15 cases.

[a]The total number of industries excludes two employers that did not provide information.

trade. It should be noted, however, that the changes reported by these industries tended to be of the "problem" variety. Decreases reported in the relative importance of semiskilled and unskilled employment came, almost without exception, from respondents in these industries with a concomitant mention of increased needs for skilled workers.

At the other end of the scale in terms of mention of significant occupational change were employers from government and from the finance complex of industries. In government, many of the changes described reflected the mechanization of large-scale office operations affecting many workers. But other changes were reported, having possibly greater significance as to future entrant job opportunities. These were the changes that introduced occupations not hitherto employed into the establishment, because new services were undertaken or old activities greatly expanded.

Finance and insurance employers in their above-average mention of significant occupational changes noted, almost exclusively, developments that are linked with these industries many clerical functions whose execution has been radically altered since 1960.

Reasons for employment change - occupational composition. The respondents reporting significant occupational changes were asked why they believed these changes had occurred. Their answers fell readily into the pattern of causes assigned earlier for changes in the total number of workers employed by their establishments. The prime agencies of occupational change, however, although the same as those affecting total employment size, were now given a different order of priority (Table 2-12).

Chief responsibility for occupational change was definitely assigned to technological change or a need to increase productivity. About 60 per cent of all reasons fell into this category. In contrast, little more than 5 per cent of all reasons advanced to explain changes in total amount of employment had been related to this factor. This attribution of so little weight to technological change as an agent in producing alterations of establishment size may, as we pointed out earlier, have reflected in part, the difficulty of disassociating its effects from economic change. At the level of an individual occupational change, however, respondents linked changes in numbers of employees, with no hesitation, to particular and specific events that could generally be classified readily as to category.

At this level, then, economic changes were held accountable for about one-third of the changes that had occurred in the occupational distribution of the respondents' employees since 1960 and structural changes for fewer than 10 per cent.

Understandably, in a labor market where employment has been rising rapidly for several years, about twice as many respondents had the task of explaining increases within an occupational category as needed to supply reasons for decreases. And a much smaller number than either spoke to the point of shifts within major industry groups.

When the respondents provided reasons for changes in the occupational distribution of their employees leading to relative increases in a particular occupational group (Table 2-13), technological change, although assigned the greater

Table 2 - 12

Reasons for Significant Changes in Occupational Composition of Employment, 1960-1967 by Type of Change -- Bay Area Employer Policy Survey, 1967

Reasons for significant changes	
All reasons[a]	
Number	158
Per cent	100.0
Changes in occupational composition due to technological change or need to increase productivity	59.5
Changes in occupational composition due to changes in demand for products and services	31.7
Changes in occupational composition due to structural change	8.2
Changes in occupational composition due to other types of change	0.6

[a] Total reasons exclude establishments reporting no significant changes in occupational composition and those not providing information. Total reasons exceed the number reporting as some employers gave more than one reason.

Table 2 - 13

Reasons for Changes in Occupational Composition
Leading to Significant Occupational Increases --
Bay Area Employer Policy Survey, 1967

Reasons for occupational increases	
All reasons[a]	
Number	96
Per cent	100.0
Reasons for changes in occupational composition due to technological change or need to increase productivity	52.1
Changes due to conversion to or intensified use of EDP	21.9
Changes due to conversion to or intensified use of modernized equipment other than EDP	11.5
Changes due to need to adjust to complex societal requirements	8.3
Changes due to need to increase productivity or "profitability" which involve primarily changes in procedures or equipment	5.2
Changes due to need to increase productivity or "profitability" which involve primarily staff reorganizations, additions, or reductions	4.2
Other reasons for changes within this category	1.0
Reasons for changes in occupational composition due to changes in demand for products or services	40.6
Changes due to changes or addition or discontinuance of kinds of products or services	19.8
Changes due to greater volume of business or activity	13.5
Changes due to Vietnam-incurred demand for products or services	2.1
Changes due to increased sales effort	2.1
Changes in demand arising from government contracts other than Vietnam-incurred	1.0
Other reasons for changes within this category	2.1
Reasons for changes in occupational composition due to structural change	6.3
Changes due to changes in number of units of the establishment	2.1
Changes due to reorganization of units or functions within an organization, including changes in the degree of centralization or decentralization	1.0
Other reasons for changes within this category	3.2
Reasons for changes in occupational composition not included in the above categories	1.0

[a]Total reasons exclude employers not reporting occupational increases and those not providing information. Total reasons exceed the number reporting as more than one reason was given by some employers.

prominence, was followed rather closely by economic change. When changes of occupational composition led to employment losses in a particular occupation (Table 2-14), this development more likely than not followed a changing technology. Shifts from one occupation to another (detail not shown) almost invariably were a product of technological change.

If the reasons for occupational changes put forward by the respondents are viewed in somewhat greater detail, they are typified by patterns that provoke interesting hypotheses.

Their replies suggest that conversion to or the intensified use of electronic data processing is very much more likely to produce occupational changes involving employment increases than decreases. On the other hand, technological changes involving modernized equipment other than for data processing are somewhat more likely to produce employment decreases than increases within the affected occupations. These responses may indicate one of the mechanisms propelling a society possessed of an insatiable need for information to ever higher levels of clerical and other white-collar employment. On the other hand, blue-collar employment, particularly in the process industries, gains so greatly in productivity through mechanization that no less than an increase in product demand of unlikely magnitude can more than offset the resultant employment contraction — at least at the individual plant level.

As can be seen, responses to our question concerning the causes of change in the occupational structure of the survey establishment provide data for speculation, at least, concerning the impact of specific types of change on employment in given occupational groups. Further, when our data are presented in such manner (Tables 2-15 and 2-16) as to relate a specific type of change to a given occupational group and to the direction of employment change within that group, these responses provide a description of recent occupational developments within a sizeable body of Bay Area employment.

According to the survey employers, the most frequent changes in the occupational composition of their establishments since 1960 reflected relative increases of professional and technical workers. Further, these increases were primarily ascribed to the effects of technological change although economic causes were also significant.

Altering patterns in the employment of clerical workers were viewed as a significant occupational change since 1960 by a number of employers. In this development, shifts within the occupational group (as an example, from clerk to key punch operator) accounted for half of all the changes mentioned, and technological change was held accountable for all of the shifts reported (detail not shown).

Changes affecting blue-collar workers were reported less frequently by our respondents than changes affecting white-collar workers. In the case of skilled workers, increases predominated, and technological change accounted for most such relative gains though economic changes were significant as well. Moreover, this type of change was credited with the largest share of responsibility where unskilled workers lost ground in relation to other occupational groups.

Seasonal fluctuations of employment. Survey respondents were next questioned about certain aspects of their employment having, perhaps, less long-term

Table 2 - 14

Reasons for Changes in Occupational Composition
Leading to Significant Occupational Decreases --
Bay Area Employer Policy Survey, 1967

Reasons for occupational decreases	
All reasons[a]	
Number	48
Per cent	100.0
Reasons for changes in occupational composition due to technological change or need to increase productivity	64.6
Changes due to conversion to or intensified use of modernized equipment other than EDP	35.4
Changes due to need to increase productivity or "profitability"which involve primarily staff reorganizations, additions, or reductions	14.6
Changes due to need to increase productivity or "profitability" which involve primarily changes in procedures or equipment	10.4
Changes due to conversion to or intensified use of EDP	2.1
Other reasons for changes within this category	2.1
Reasons for changes in occupational composition due to changes in demand for products or services	20.8
Changes due to changes or addition or discontinuance of kinds of products or services	16.6
Changes in demand arising from government contracts other than Vietnam-incurred	2.1
Other reasons for changes within this category	2.1
Reasons for changes in occupational composition due to structural change	14.6
Changes due to reorganization of units or functions resulting in establishment's loss of employment to new or existing units of the organization outside the Bay Area	6.2
Changes due to changes in number of units of the establishment	4.2
Changes due to reorganization of units or functions within an organization, including changes in degree of centralization or decentralization	2.1
Other reasons for changes within this category	2.1

[a]Total reasons exclude employers not reporting occupational decreases and those not providing information. Total reasons exceed the number reporting as more than one reason was given by some employers.

Table 2 - 15

Direction of Change by Occupational Group, 1960-1967 --
Bay Area Employer Policy Survey, 1967

Major occupational group	All directions of change: Number	All directions of change: Per cent	Direction of change: Increase	Direction of change: Decrease	Direction of change: Shift
All changes by occupation[a]	158	100.0	60.7	30.4	8.9
Professional & technical	56	100.0	96.4	3.6	0.0
Clerical	24	100.0	25.0	25.0	50.0
Other white collar[b]	30	100.0	50.0	46.7	3.3
Skilled	16	100.0	81.2	18.8	0.0
Semiskilled	13	100.0	46.2*	46.2*	7.6*
Unskilled and service	19	100.0	10.5	89.5	0.0

*Percentages based on fewer than 15 cases.

[a]Number of changes excludes those establishments that reported no significant occupational changes and those not providing information. Total changes exceed the number reporting as some employers described more than one change.

[b]Includes managerial, sales, and white-collar unspecified.

Table 2 - 16

Type of Change and Direction of Change
By Occupational Group, 1960-1967 --
Bay Area Employer Policy Survey, 1967

Occupation and direction of change	All types		Types of change			
	Number	Per cent	Techno-logical	Eco-nomic	Struc-tural	Other
All changes by occupation[a]	158	100.0	59.5	31.7	8.2	0.6
Increase	96	100.0	52.1	40.6	6.3	1.0
Professional & technical	54	100.0	64.8	31.5	3.7	0.0
Other white-collar[b]	21	100.0	23.8	61.9	9.5	4.8
Skilled	13	100.0	61.5*	38.5*	0.0*	0.0*
Other blue-collar and service[c]	8	100.0	*	*	*	*
Decrease	48	100.0	64.6	20.8	14.6	0.0
All white-collar[d]	22	100.0	63.6	18.2	18.2	0.0
Unskilled	15	100.0	80.0	13.3	6.7	0.0
Other blue-collar and service[e]	11	100.0	*	*	*	*
Shift	14	100.0	92.9*	7.1*	0.0*	0.0*
Clerical	12	100.0	100.0	0.0	0.0	0.0
Other[f]	2	100.0	*	*	*	*

*Percentages based on fewer than 15 cases or not computed because of small number of cases.

[a]Number of changes excludes those establishments that reported no significant occupational changes and those not providing information. Total changes exceed the number reporting as some employers described more than one change.

[b]Managerial, clerical, sales, and white-collar, unspecified.

[c]Semiskilled, unskilled, and service.

[d]Professional and technical, managerial, clerical, sales, and white collar, unspecified.

[e]Unskilled, semiskilled and service.

[f]Semiskilled and white-collar, unspecified.

significance than the occupational developments just mentioned but nonetheless of real influence in shaping the labor market at any particular time. First among these inquiries was a question to determine how many of the sample establishments experience sharp, seasonal fluctuations of employment. An affirmative answer respecting such employment fluctuations was given by almost a third of the respondents. So heavy an incidence of these replies was not unlikely in an area whose employment is subject to greater seasonality than is that of most major metropolitan centers. It is usual for nonagricultural wage and salary employment in the San Francisco-Oakland Metropolitan Area to show an advance by December of well over 60,000 nonagricultural wage and salary workers above the previous January low. The customary peaking of employment in this area at the end of the year reflects primarily the large amount of temporary help hired by establishments in retail trade and the Post Office to meet the annual Christmas rush, an amount which more than offsets the number released from then seasonally declining activities.

In the San Jose Area, on the other hand, food processing and other industries associated with the autumnal peak of such outdoor activities as agriculture and heavy construction produce an employment high, sometimes in August and sometimes in September, that is not topped by the following holiday season. There, it is usual for the late-season employment of nonagricultural wage and salary workers to exceed the normal January low by more than 30,000 workers. Most employers responding affirmatively to the existence of a strong seasonal element in their annual employment experience were representative of construction and food processing or of activities closely associated with these industries. Such associated activities include stone, clay, and glass; fabricated metals; and transportation. The remaining employers reporting a significant seasonal influence on their payrolls were largely from trade. The reasons provided by the respondents, therefore, followed a predictable pattern.

More than one-half of the causes to which sharp seasonal changes of employment were ascribed arose from the establishment's direct involvement with food processing activities, its dependence on weather, or an increased level of activities in the summer months. Somewhat more than a quarter of all reasons given to explain sharp peaks and valleys of employment relate to the Christmas season.

Abrupt nonseasonal changes. Less is known about the incidence and origins of abrupt nonseasonal changes of employment than about fluctuations in work force that arrive with all the regularity of the four seasons. Consequently, each respondent was asked concerning his establishment's experience with the former type of change.

Fewer than the third of all respondents reporting sharp seasonal fluctuations replied that their establishments could be characterized as unusually sensitive to the more randomly operative type of employment change. Only about one-fifth of the group regarded their establishments as more than ordinarily vulnerable in this respect.

The major causes of significant nonseasonal fluctuations of employment were considered to be the availability of work (with some respondents specifying this work as "government orders"), changes in economic conditions, labor disputes or their possibility, and changes of market conditions for a particular product or service.

Table 2 - 17

Reasons for Sharp Seasonal Fluctuations of Employment --
Bay Area Employer Policy Survey, 1967

Reasons	
All reasons[a]	
Number	119
Per cent	100.0
Christmas season	28.7
Food processing	21.0
Weather	17.6
Increased activities in the summer	14.3
Easter trade	4.2
Decreased activities in the summer	2.5
Other reasons	11.7

[a] The 97 establishments reporting their employment as subject to sharp, seasonal fluctuations account for the above 119 entries.

Respondents who ascribed responsibility for strong nonseasonable employment movements to availability of work, including that derived from government orders, were most likely to be representatives of the construction, durable goods manufacturing, or services industries -- all of them, activities where a contractual work load is significant. A particular sensitivity to economic conditions was again shared by construction and durable goods manufacturing employers. Nondurable goods employers, however, were more likely to report a vulnerability to changed market conditions for their particular products.

Other causes regarded as placing the stability of an establishment's employment level in particular jeopardy such as labor disputes or their possibility, or the effects of promotional programs were suggested by employers from a wide scatter of activities.

Table 2 - 18

Reasons for Abrupt Changes in Employment
other than Seasonal Changes --
Bay Area Employer Policy Survey, 1967

Reasons for abrupt changes	
All reasons[a]	
Number	73
Per cent	100.0
Availability of work	31.6
Government orders	16.4
Changes in economic conditions	13.7
Labor disputes or the possibility of labor disputes	9.6
Changes in specific market conditions	6.8
Promotional programs	5.5
Defense activities, including Vietnam	4.1
Port activity	2.7
Other reasons	9.6

[a]The 66 establishments reporting their employment as subject to abrupt changes account for the above 73 entries.

III. The Location of Industry

One of the most significant developments of the postwar period has been the pronounced tendency toward industrial decentralization within large metropolitan areas. In contrast with the movement of population to the suburbs, which has been widely recognized and extensively analyzed, the movement of industry to the suburbs has come to be recognized only relatively recently as a highly significant phenomenon, even though a trend in this direction has been clearly discernible for some time.

As long as suburban areas remain relatively nonindustrialized, employment expansion in the suburbs tends to be largely concentrated in the trade and service industries which cater to the resident population. When manufacturing industries locate in suburban areas, however, a more complex process of employment expansion takes place. Not only are jobs created in manufacturing, but the development of manufacturing industries tends to create a demand for economic activities that serve the factories (e.g., transportation), while the movement of factory workers to the suburbs has a multiplier effect on trade and service industries over and above the stimulation provided by the increase in population consisting of families whose breadwinner commutes to the central city.

A recent analysis by the U. S. Bureau of Labor Statistics indicated clearly that industrial decentralization within large metropolitan areas is a nationwide phenomenon. During the 1954-1965 period, 63 per cent of the valuation of industrial building permits in 14 of the largest metropolitan areas throughout the country were issued for locations outside of the central cities. The proportions issued for outlying locations tended to be higher in the Northeast and the West than in the North Central states or the South. The San Francisco Area, with 84 per cent of the value of industrial building permits issued for locations outside its central cities, and the Los Angeles Area, with 86 per cent, were among the three or four areas in which the tendency was particularly pronounced.[1]

The central cities of the Bay Area, in accordance with the classification used by the U. S. Bureau of the Census and other government agencies, are San Francisco and Oakland. Both cities are relatively small in land area and have comparatively little vacant land available for industrial expansion. San Francisco, which is both a city and a county, occupies 45 square miles of land and Oakland occupies 52 square miles, out of a total of 3,788 square miles in the six-county area included in this study.[2]

During the postwar period, by far the greater part of the employment expansion that has occurred in the Bay Area has been outside its two central cities. In the case of San Francisco, we find that the total number of employees in private firms covered by unemployment insurance increased only 10 per cent between 1950 and 1966, as compared with an increase of 117 per cent in the rest of the six-county area included in this study.[3] And, during this same period, employees in manufacturing in San Francisco declined 11 per cent, while manufacturing employees in the rest of the six-county area increased 108 per cent. Comparable data for Oakland are not available, but Census of Manufactures data show little change in manufacturing employment in Oakland between 1947 and 1958, while recent estimates prepared by the California Department of Employment indicate that total manufacturing employment in Oakland declined from 40,400 in 1958 to 31,300 in 1966, or 22.5 per cent. During the

same period, manufacturing employment in the rest of Alameda County rose from 31,500 to 54,500, or 76 per cent. Meanwhile, estimated total civilian employment in Oakland rose a modest 5 per cent, while employment in the rest of the county increased 54 per cent.[4] It is clear, on the basis of general observation and such limited data as are available, that most of the employment expansion in manufacturing in Alameda County in the postwar period has occurred south of Oakland, in such communities as San Leandro, Hayward, and Fremont. The Oakland-Emeryville-Berkeley-Albany area, which we shall treat as the central city area of Alameda County in reporting the results of this survey, has generally been characterized by stagnating or declining manufacturing employment.

In fact, it is reasonably accurate to say that most of the expansion of manufacturing employment in the Bay Area in the last twenty years or so has been occurring around the southern rim of San Francisco Bay -- in southern Alameda County, southern San Mateo County, and in Santa Clara County, which corresponds to the San Jose Metropolitan Area. Nor is the accuracy of this statement impaired by taking into account what has been happening in the three counties bordering on the northern rim of the Bay and not included in our study -- Napa, Solano, and Sonoma -- for very little expansion of manufacturing employment has occurred in that area.

However, it is Santa Clara County that has experienced particularly spectacular expansion, increasing its share of total manufacturing employment in the Bay Area from 10.2 per cent in 1947 to 32.0 per cent in 1965, with the most rapid gains occurring between 1954 and 1963 (Appendix Table C-1). San Mateo County has also increased its share, but on a much more modest scale, while relatively nonindustrialized Marin County's tiny share has crept up a little. The other three counties, which accounted for 84 per cent of the total in 1947, have all lost relative ground, and together accounted for only 57 per cent in 1965. Clearly, the sharpest decline occurred in San Francisco County, but Alameda and Contra Costa counties also lost substantial relative ground, although both showed gains in number of workers employed, and, as we have seen, substantial industrial development has been occurring in southern Alameda County.

If most of the industrial expansion has been occurring around the southern rim of the Bay, it is also true that expansion of manufacturing employment in the Bay Area has been heavily concentrated in the aerospace industries, which together accounted for about three-fifths of the total increase in number of manufacturing employees between 1950 and 1966.[5] And Santa Clara County's spectacular gains are in considerable part explained by the fact that nearly four-fifths of the expansion in employment in these industries occurred in the San Jose Metropolitan Area, while a considerable portion of the remainder evidently occurred in adjacent southern San Mateo County, although precise statistical data are not available for the latter area. Included among the aerospace industries are ordnance and accessories, electrical machinery, aircraft and parts, and instruments and related parts, but most of the employment in these industries in the Bay Area is in the ordnance and electrical machinery industries.

Another way of describing what has been happening is that the older industrial centers in the Bay Area have lost ground, relatively to younger and rapidly expanding areas. We have commented on the decline of manufacturing employment in San Francisco and relative stagnation in the Oakland-Berkeley area. Certain other established industrial centers, such as Richmond and Pittsburgh in Contra Costa County, have also lost relative ground.

Apart from the broader significance of declining or stagnating employment opportunities for blue-collar workers in the central cities, industrial decentralization tends to complicate the problem of opening doors to jobs for Negroes. The vast majority of Negroes in the Bay Area are heavily concentrated in San Francisco and Oakland, along with several smaller cities with long-established Negro areas, such as Berkeley and Richmond.

Moreover, particularly in San Francisco, the loss of blue-collar jobs in manufacturing has been considerably more serious than data on total manufacturing employment suggest, for there has been a sharp decline in the ratio of production workers to total manufacturing employees (Appendix Table C-2). This change, of course, has occurred throughout the Bay Area and is in line with the nationwide trend, but only in San Francisco County, among the six counties included in our study, has it occurred along with a decline in total manufacturing employment. San Francisco's relatively low ratio of production workers is at least partly explained by the fact that many of the manufacturing firms there are headquarters units, employing large proportions of administrative and other white-collar workers. The low ratios in San Mateo and Santa Clara counties, on the other hand, are explained by the predominance of the aerospace industries, which tend to have high proportions of nonproduction workers.

The role of industrial structure. The older industrial centers could have lost relative ground in terms of employment because the manufacturing industries which had historically found it advantageous to locate there tended to be those with stagnant or declining employment trends in the postwar period, or because their proportion of total Bay Area employment in these and other industries declined, or through some combination of the two. In other words, we need to determine whether or not the older centers had a disadvantageous industry mix in relation to employment rends in the postwar period.

With respect to Contra Costa County, the answer is fairly clear -- manufacturing employment expansion tended to be slow in the postwar period in considerable part because of specialization in industries in which employment growth was slow or in which it was stagnant or declined. If we take 1950 as an appropriate starting point, since postwar readjustments had largely occurred by that time -- particularly the sharp cutback in shipyard employment -- we find that about 60 per cent of Contra Costa County's manufacturing employment was concentrated in the chemical, petroleum, and primary metal industries -- industries which were to experience relatively slow or stagnant employment expansion in the next 16 years (Appendix Table C-3). And this was not because their production was failing to expand but because, especially in the petroleum industry, expansion of production could be achieved under highly mechanized conditions along with a slowly declining or only slightly rising trend in employment.

The San Francisco picture is less clear. The apparel industry, which was represented among San Francisco manufacturing employees to a considerably greater extent than elsewhere in the Bay Area, experienced only very moderate growth in employment in the 16-year period, while the furniture and food products industries, which were represented on a comparable or slightly larger scale in San Francisco than in the Bay Area experienced stagnant or declining employment. But the other industries in which San Francisco was somewhat specialized in 1950, in comparison with the Bay Area as a whole -- printing and publishing and fabricated metal products -- experienced fairly substantial rates of employment growth in the Bay Area in the next 16 years. And Alameda County, with its relatively heavy concentration in

durable goods industries, particularly nonelectrical machinery and motor vehicles, did not appear to be particularly handicapped by a poor industry mix in relation to postwar patterns of employment expansion.

Location or relocation. One of the questions in which we were interested was whether industrial decentralization had occurred primarily as a result of actual movement of establishments out of central cities, or as a result of location of new establishments and expansion of existing establishments in the more outlying areas. Although the results of our survey are not entirely conclusive on this point, they suggest that movement of establishments out of the central cities has not been the primary factor, despite certain well-known instances of such moves.

When asked whether they had moved within the last five years, only 37 establishments, or 12 per cent of all establishments in our sample, indicated that they had. The question related to whether the main location of the establishment in the Bay Area had been moved. Moreover, although most of the firms that had been involved in such moves had previously been located in San Francisco or the Oakland-Berkeley area (i.e., central city areas), only a minority of these moves had been to more outlying areas (Table 3-1). And, interestingly, the great majority of moves involving San Francisco establishments had been to other locations within San Francisco County. However, it seems likely that at least some of these were from the downtown parts of San Francisco to less built-up sections, probably chiefly along the Bay in the direction of South San Francisco.[6]

Had we chosen to ask whether the establishment had moved within the last ten years, we would have apparently found a considerably larger number of moves, which could have been subjected to more intensive analysis.[7] This is suggested by the data in Table 3-2, which indicate that, although only 4.5 per cent of all the establishments in the sample had been located in the Bay Area less than ten years, 10.4 per cent had been located in the city in which their present main address was found less than ten years, while 26.5 per cent had been located in their present premises less than ten years. In other words, about 22 per cent of the establishments had evidently been involved in some type of move within the Bay Area in the last ten years, although in most of these cases the move had apparently been within the same city. About a third of the establishments had been involved in some type of move in the last 25 years, but again mostly within the same city.

On the other hand, what is perhaps most striking about the data in Table 3-2 is that the great majority of establishments in our sample -- about three-fourths in all -- had been located in the Bay Area 25 years or more, and nearly two-fifths had been in the area 50 years or more. Had our sample included firms with fewer than 100 employees, the proportion of young establishments might well have been larger, since turnover tends to be high among small companies. It is also possible that there has been more movement within the area on the part of small firms.

Not unexpectedly, the central city areas -- San Francisco and the Oakland-Berkeley area -- especially San Francisco, tended to have relatively large proportions of establishments that had long been located in the Bay Area and relatively small proportions of young establishments, particularly as contrasted with southern Alameda, southern San Mateo, and Santa Clara counties (Table 3-3). Northern San Mateo County and the combined Contra Costa and Marin area, also, tended to be characterized by older establishments -- in fact, somewhat more so than the Oakland-Berkeley area. These data lend support to the inference that industrial decentralization has occurred primarily through the establishment of new firms and expansion

Table 3 - 1

Main Address of Establishment by Previous Location, for Establishments That Had Moved in Last Five Years -- Bay Area Employer Policy Survey, 1967

Main address	Previous location			
	San Francisco County	Oakland-Berkeley Area[a]	Other	Total
All establishments				
Number	19	9	9	37
Per cent	100.0	100.0	100.0	100.0
Same area[b]	78.9	44.4*	88.9*	73.0
Different area -- not a central city	15.8	55.6*	11.1*	24.3
Different area -- central city	5.3	--	--	2.7

*Percentages based on fewer than 15 cases.

[a]Includes Oakland, Emeryville, Berkeley, and Albany.

[b]A move to the same area means a move within any one of the following areas: San Francisco County, Oakland-Berkeley area, Southern Alameda County, Northern San Mateo County, Southern San Mateo County, Santa Clara County, Contra Costa County, or Marin County. For definitions of the areas that are smaller than an entire county, see the footnotes to Table 3-3.

Table 3 - 2

Establishments by Number of Years in Bay Area, in Present City, and in Present Premises -- Bay Area Employer Policy Survey, 1967

(Information relates to main address of establishment in Bay Area)

Number of years	In Bay Area	In present city	In present premises
All establishments			
Number	309	309	309
Per cent	100.0	100.0	100.0
Less than five years	0.6	3.6	12.6
Five years but less than ten years	3.9	6.8	13.9
Ten years but less than 25 years	20.1	24.6	31.8
25 years but less than 50 years	36.3	30.6	26.9
50 years but less than 75 years	22.0	18.8	11.3
75 years but less than 100 years	9.4	9.1	2.6
100 years or over	7.1	6.5	0.6
Information not available	0.6	--	0.3

Table 3 - 3

Number of Years in Bay Area, by Main Address of Establishment in Bay Area -- Bay Area Employer Policy Survey, 1967

Main address	Total		Number of years in Bay Area					
	Number	Per cent	Less than 10	10 to 25	25 to 50	50 to 75	75 to 100	100 or more
All establishments	307[a]	100.0	4.6	20.2	36.5	22.1	9.4	7.2
San Francisco County	112	100.0	3.6	9.1	31.0	27.3	14.5	14.5
Oakland-Berkeley Area[b]	63	100.0	1.6	19.0	50.8	23.8	4.8	--
Southern Alameda County[c]	38	100.0	10.5	31.6	34.2	13.2	5.3	5.3
Northern San Mateo County[d]	21	100.0	--	19.0	42.8	28.6	9.5	4.8
Southern San Mateo County[e]	22	100.0	9.1	40.9	36.4	--	9.1	4.5
Santa Clara County	25	100.0	12.0	40.0	24.0	8.0	12.0	4.0
Contra Costa and Marin counties	28	100.0	--	17.9	35.7	35.7	3.6	7.1

[a]Total excludes establishments not reporting number of years in Bay Area.

[b]Includes Oakland, Emeryville, Berkeley, and Albany.

[c]Includes all of Alameda County south of Oakland.

[d]Includes the City of San Mateo and all communities in the county north of that city.

[e]Includes all communities in the county south of the City of San Mateo.

of existing firms in the newer industrial areas.

Not only were southern Alameda and Santa Clara counties more likely to include younger establishments, but the manufacturing establishments in these areas in our sample were more likely to be in the rapidly expanding durable goods sector, while those in San Mateo and Santa Clara counties were especially likely to be in the electrical machinery industry (Table 3-4). In other respects, also, the industrial composition of our sample within the various geographical areas was generally consistent with what we found in our discussion of manufacturing employment.

If we consider all establishments in the sample, we find that manufacturing firms represented a particularly large proportion of the total in Santa Clara County and relatively large proportions, also, in the Oakland-Berkeley area, southern Alameda County, southern San Mateo County, and the combined area of Contra Costa and Marin counties (Table 3-5). San Francisco County, on the other hand, included a relatively large proportion of firms in transportation and utilities, and in the trade, finance, and service groups. In interpreting these differences, it must be kept in mind that many nonmanufacturing establishments outside of San Francisco were likely to have been excluded from the sample because they had fewer than 100 employees. San Francisco establishments in these categories were more likely to be included because the headquarters of firms with branches throughout the Bay Area were particularly likely to be located in San Francisco. They were also relatively likely to be located in the Oakland-Berkeley area, probably chiefly in Oakland (Table 3-6).

As further evidence that industrial decentralization reflected in large part the more rapid expansion of employment in establishments in the newly developing industrial areas, we find that manufacturing establishments in Santa Clara and San Mateo counties were considerably more likely to indicate that their employment had increased substantially from 1960 to 1967 than establishments in other areas, while in the combined Contra Costa and Marin area the proportion of establishments reporting a substantial increase in employment was particularly small (Table 3-7). If we attempt to extend this comparison to all establishments, manufacturing and nonmanufacturing, we find that area differences were less pronounced (data not shown). More than half of all establishments in San Francisco County, for example, indicated that their employment had increased substantially, a proportion slightly larger than for the entire Bay Area. Since large percentages of establishments in many of the nonmanufacturing sectors reported substantial increases in employment, this result is not surprising. In fact the largest proportion of establishments reporting substantial increases in employment among the major industry groups was in transportation and utilities (70.4 per cent), an industry group which was particularly well represented among San Francisco establishments. However, it is important to recognize that a good many establishments, particularly among those located in San Francisco, had branches in other parts of the Bay Area and were reporting changes in their total employment in the area, not just in a particular county.

Santa Clara and San Mateo counties were not only the areas with the largest proportions of establishments reporting substantial increases in employment, but they were also the areas in which comparatively large proportions of establishments reported having built a new plant in the 1960-1966 period (Table 3-8). But the combined Contra Costa and Marin area was not far behind in this respect and led all areas in the proportions of establishments having remodeled a plant, installed new equipment, or modernized equipment. If employment was not increasing rapidly in the combined Contra Costa-Marin area, this apparently not only reflected the fact,

Table 3 - 4

Manufacturing Industry, by Main Address of Establishment --
Bay Area Employer Policy Survey, 1967

Manufacturing industry	Total	San Francisco County	Oakland-Berkeley Area[a]	Southern Alameda County[a]	San Mateo County	Santa Clara County	Contra Costa and Marin counties
Total							
Number	119	20	30	18	17	16	18
Per cent	100.0	100.0	100.0	100.0	100.0	.100.0	100.0
Durable goods	47.9	40.0	36.7	66.7	47.1	62.5	44.4
Stone, clay, and glass products	2.5	--	--	5.6	--	--	11.1
Primary metals	5.9	--	10.0	11.1	5.9	--	5.6
Fabricated metals	12.6	15.0	10.0	11.1	11.8	6.3	22.1
Nonelectrical machinery	7.6	15.0	6.7	5.6	5.9	12.5	--
Electrical machinery	8.4	--	6.7	5.6	17.6	24.9	--
Ordnance and transportation equipment	6.7	5.0	--	22.3	5.9	12.5	--
Other durable goods	4.2	5.0	3.3	5.6	--	6.3	5.6
Nondurable goods	52.1	60.0	63.3	33.3	52.9	37.5	55.6
Food products	23.6	25.0	39.9	11.1	23.5	24.9	5.6
Textile and apparel products	2.5	10.0	--	5.6	--	--	--
Paper	6.7	--	6.7	11.0	5.9	6.3	11.1
Printing and publishing	8.4	20.0	6.7	--	17.6	--	5.6
Other nondurable goods	10.9	5.0	10.0	5.6	5.9	6.3	33.3

[a]For definitions of these areas, see footnotes to Table 3-3.

Table 3 - 5

Major Industry Group, by Main Address of Establishment --
Bay Area Employer Policy Survey, 1967

Major industry group	Total	San Francisco	Oakland-Berkeley Area[a]	Southern Alameda County[a]	Northern San Mateo County[a]	Southern San Mateo County[a]	Santa Clara County	Contra Costa and Marin counties
All establishments								
Number	309	112	63	38	21	22	25	28
Per cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Mining and construction	8.4	6.2	9.5	10.5	19.0	9.1	8.0	3.6
Manufacturing								
Durable	18.4	7.1	17.5	31.7	4.8	31.9	40.0	28.6
Nondurable	20.1	10.7	30.3	15.8	19.0	22.7	36.0	35.6
Transportation and utilities	8.7	16.1	6.3	2.6	14.3	--	4.0	--
Trade								
Wholesale	4.2	5.4	3.2	7.9	--	--	4.0	3.6
Retail	10.7	13.4	12.7	10.5	14.3	4.5	4.0	3.6
Finance, insurance, and real estate	8.1	16.1	6.3	--	4.8	9.1	--	--
Services	11.7	20.5	6.3	10.5	4.8	4.5	8.0	3.6
Government	9.7	4.5	7.9	10.5	19.0	18.2	8.0	21.4

[a]For definition of these areas, see footnotes to Table 3-3.

Table 3 - 6

Main Address of Establishment in Bay Area, by Type of Organization -- Bay Area Employer Policy Survey, 1967

Main address of firm in Bay Area	Total	Single unit	Branch unit	Head-quarters unit	Regional head-quar-ters[a]	Other
Total						
Number	309	71	97	107	32	2
Per cent	100.0	100.0	100.0	100.0	100.0	100.0
San Francisco County	36.3	38.0	22.7	43.0	50.0	50.0*
Oakland-Berkeley Area[b]	20.4	15.5	15.5	25.2	28.1	50.0*
Southern Alameda County[b]	12.3	12.7	14.4	12.1	6.2	--
Northern San Mateo County[b]	6.8	9.9	4.1	7.5	6.2	--
Southern San Mateo County[b]	7.1	7.0	11.3	5.6	--	--
Santa Clara County	8.1	11.3	12.4	2.8	6.2	--
Contra Costa County	7.1	4.2	16.5	1.9	3.1	--
Marin County	1.9	1.4	3.1	1.9	--	--

*Percentages based on fewer than 15 cases.

[a]Includes area, regional, or divisional headquarters or unit, with principal headquarters elsewhere.

[b]For definitions of these areas, see footnotes to Table 3-3.

Table 3 - 7

Extent of Change in Employment, 1960-1967, for Manufacturing Establishments, by Main Address -- Bay Area Employer Policy Survey, 1967

Main address	Total		Extent of change in employment					
	Number	Per cent	Increased substantially	Increased slightly	Decreased substantially	Decreased slightly	Relatively stable	Fluctuating
All establishments[a]	118	100.0	39.9	14.4	16.9	5.9	15.3	7.6
San Francisco County	19	100.0	36.8	5.3	26.3	10.5	15.8	5.3
Oakland-Berkeley Area[b]	30	100.0	33.4	23.3	20.0	3.3	16.7	3.3
Southern Alameda County[b]	18	100.0	38.8	16.7	5.6	--	22.2	16.7
San Mateo County	17	100.0	52.9	17.6	11.8	11.8	5.9	--
Santa Clara County	16	100.0	68.7	6.3	12.5	--	--	12.5
Contra Costa and Marin counties	18	100.0	16.7	11.1	22.2	11.1	27.8	11.1

[a]Total excludes one manufacturing firm that did not report extent of change in employment.

[b]For definitions of these areas, see footnotes to Table 3-3.

Table 3 - 8

Per Cent of Establishments Which Took Action to Build or Modernize Plant, Equipment, or Operations, 1960-1966, by Main Address of Establishment -- Bay Area Employer Policy Survey, 1967

Main address	Type of action, 1960-1966				
	Built new plant	Remodeled plant	Installed new equipment	Modernized equipment	Changed operating procedures
All establishments[a]	28.2	34.0	74.8	53.7	41.2
San Francisco County	24.0	28.8	73.1	48.1	42.3
Oakland-Berkeley Area[b]	27.0	36.5	73.0	50.8	46.0
Southern Alameda County	25.7	31.4	77.1	51.4	42.9
San Mateo County	35.9	35.9	69.2	61.5	33.3
Santa Clara County	36.0	32.0	72.0	52.0	32.0
Contra Costa and Marin counties	32.1	50.0	92.9	75.0	42.9

[a] In computing these percentages, a few establishments not reporting information on types of action taken were excluded from the denominator.

[b] For definitions of these areas, see footnotes to Table 3-3.

mentioned above, that its leading manufacturing industries tended to be highly mechanized, but also that they were undergoing very substantial technological change. (It will be recalled, in this connection, that nearly two-thirds of the establishments in our sample in this area were manufacturing concerns.)

What is perhaps most interesting about the data in Table 3-8, however, is the evidence that a great deal of technological change was going on throughout the Bay Area. The proportion of establishments reporting that they had installed new equipment, for example, in the 1960-1966 period was very large, and, except for the particularly high percentage in the Contra Costa and Marin area, did not vary greatly among the various areas.

Locational advantages and disadvantages. When asked to indicate the advantages of the establishment's present location, ranked in order of relative importance, the advantage most likely to be mentioned as of the first importance was nearness to market (Table 3-9). Other establishments mentioned, in approximate order of frequency, access to transportation, a desirable site in relation to the immediate neighborhood, centrality in relation to the establishment's own operations, centrality in relation to the community, miscellaneous environmental factors, good quality labor, and space for expansion or reasonably priced land. It should be noted that in some cases "access to transportation" meant access to transportation for the establishment's employees, but in most instances it meant access to transportation for the movement of goods into and out of the establishment. Good parking facilities for the firm's emplpyees, mentioned in a relatively small proportion of cases, is a factor also included in this category.

Access to transportation figured prominently as the second most important advantage, while good quality labor and space for expansion or reasonably priced land were mentioned slightly more frequently as a second advantage than as a first. When all the responses were cumulated, proximity to markets, access to transportation, space for expansion or reasonably priced land, and good quality labor, in that order, turned out to be the most frequently mentioned factors. These results are quite similar to those obtained in a recent mailed questionnaire survey of about 1800 East Bay industrial firms.[8]

One would expect that proximity to markets would be a crucial factor for establishments in wholesale and retail trade, banking, and real estate, as well as for manufacturing firms serving primarily local or Bay Area markets. And, indeed, the variations by major industry group indicated in Table 3-10 tend to confirm this expectation. Moreover, since durable goods manufacturing establishments were more likely to be producing for a nationwide or worldwide market than nondurable goods manufacturing firms (Table 3-11), it is not surprising that they were somewhat less likely to mention proximity to markets as the primary advantage of the establishment's present location. Access to transportation, not unexpectedly, was mentioned particularly frequently by establishments in the transportation and utilities industy group, while availability of good quality labor was mentioned with somewhat greater frequency by durable goods manufacturing establishments than by those in other major industry groups. One seemingly curious result is that proximity to markets was mentioned with relative infrequency by establishments in service industries. However, it must be kept in mind that service industries are a heterogeneous group and that some establishments in this category provide services well beyond the local market (Table 3-11).

Geographical variations in the relative frequency with which particular primary

Table 3 - 9

Advantages of Present Location --
Bay Area Employer Policy Survey, 1967

Nature of advantage	Advantages mentioned in order of importance				All responses
	First	Second	Third	Fourth	
All establishments (or all responses)					
Number	309	309	309	309	523
Per cent	100.0	100.0	100.0	100.0	100.0
Proximity to markets	36.6	5.5	0.6	0.3	25.4
Access to transportation	8.3	16.8	6.8	1.2	19.7
Desirable site re immediate neighborhood	8.1	3.9	1.0		7.6
Good quality labor	5.2	6.1	2.6		8.2
Proximity to materials	4.5	3.2	0.3		4.8
Centrality in relation to community	4.9			0.3	3.1
Centrality in relation to own operations	5.8	0.6	1.0	0.3	4.6
Space for expansion available or reasonably priced land	4.2	6.5	4.2	0.6	9.2
Establishment owns land and/or building	1.6		0.6		1.3
Distinctive type of facility, etc.	1.9				1.1
Proximity to educational/ research institutions	2.9	1.9	0.6		3.3
Miscellaneous environmental factors	5.8	3.1	1.6		6.3
Reasonable wage rates	--	0.3			0.2
All other	1.9	0.9	0.3		1.8
No advantages	5.8				3.4
Information not available, or no second, third, or fourth advantage mentioned	2.6	51.2	80.4	97.3	

Table 3 - 10

Primary Advantage of Present Location, by Major Industry Group --
Bay Area Employer Policy Survey, 1967

Primary advantage	Total	Mining and construction	Manufacturing -- durable	Manufacturing -- non-durable	Transportation and utilities	Trade	Finance, insurance, and real estate	Services	Government
All establishments									
Number[a]	301	25	56	61	27	45	25	35	27
Per cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Proximity to markets	37.6	36.0	39.2	47.4	40.8	49.0	44.0	22.9	3.7
Advantages relating to land, space for expansion, etc.	6.6	--	5.4	11.5	3.7	6.7	8.0	2.9	11.1
Proximity to materials	4.7	8.0	3.6	11.5	--	4.4	--	--	3.7
Desirable site re immediate neighborhood	8.3	8.0	8.9	3.3	3.7	4.4	24.0	17.1	3.7
Good quality labor	5.3	--	14.3	4.9	--	--	--	5.7	11.1
Access to transportation	8.6	12.0	--	11.5	22.2	15.6	4.0	5.7	--
Reasonably priced land	1.3	4.0	--	--	3.7	2.2	--	2.9	--
Proximity to education/ research institutions	3.0	--	8.9	--	--	--	--	5.7	7.4
Other	18.6	8.0	5.4	4.9	25.9	13.3	20.0	28.5	55.6
No advantages	6.0	24.0	14.3	4.9	--	4.4	--	8.6	3.7

[a]Total excludes establishments not reporting a specific primary advantage.

Table 3 - 11

Area Accounting for 75 Per Cent or More of Establishment's Market, by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Major industry group	Total		Area accounting for 75 per cent or more of market					
	Number	Per cent	City of location	Bay Area	California	Western region	Continental United States	Pacific Area or Worldwide
All establishments[a]	305	100.0	13.8	36.0	17.4	12.8	14.1	5.9
Mining and construction	26	100.0	7.7	50.0	30.8	--	3.8	7.7
Manufacturing								
Durable	56	100.0	1.8	8.9	16.1	26.8	39.3	7.1
Nondurable	62	100.0	4.8	29.0	19.4	27.4	19.4	--
Transportation and utilities	27	100.0	22.2	29.7	14.8	3.7	3.7	25.9
Trade								
Wholesale	13	100.0	--	69.2*	15.4*	7.7*	--	7.7*
Retail	33	100.0	18.2	78.8	3.0	--	--	--
Finance, insurance, and real estate	25	100.0	16.0	32.0	32.0	16.0	4.0	--
Services	36	100.0	22.2	41.6	16.7	2.8	13.9	2.8
Government	27	100.0	44.5	29.6	11.1	--	3.7	11.1

*Percentages based on fewer than 15 cases.

[a]Total excludes establishments not reporting area accounting for 75 per cent or more of establishment's market.

locational advantages were mentioned were not especially pronounced, although proximity to markets was mentioned with relative frequency by establishments in southern Alameda County, and access to transportation by establishments in the Oakland-Berkeley area, while desirability of the site in relation to the immediate neighborhood and proximity to educational or research institutions were mentioned relatively frequently by establishments in Santa Clara County (Appendix Table C-4).

When asked to indicate any disadvantages of the establishment's present location, in order of relative importance, nearly a fifth of the respondents indicated that there were none (Table 3-12). Among the primary disadvantages mentioned, lack of space for expansion or lack of reasonably priced land, high wage rates, lack of access to transportation, undesirability of the site in relation to the immediate neighborhood, and high taxes, in that order, were the factors most frequently mentioned. When all the responses were cumulated, these were again the leading disadvantages mentioned, although high taxes moved up from fifth to fourth place in rank order.

There were rather pronounced differences among the major industry groups in the relative frequency with which various primary disadvantages were mentioned, with the transportation and utilities group, trade, and services mentioning lack of space for expansion or lack of reasonably priced land with particular frequency (Table 3-13). Trade establishments and those in finance, insurance, and real estate were especially likely to mention undesirability of the site in relation to the immediate neighborhood, while service and government establishments were particularly likely to mention lack of access to transportation. High wage rates were the factor most frequently mentioned by establishments in durable goods manufacturing industries, and the percentage of these establishments singling out this factor was well above that for any other major industry group. Since these are the establishments most likely to be producing for a nationwide or worldwide market, it seems likely that it was the high wage rates prevailing in the Bay Area, as compared with wages in other parts of the country, rather than intra-area wage differences, that our respondents had in mind.[9]

Not at all unexpectedly, there was a tendency for establishments in San Francisco and the Oakland-Berkeley area to mention lack of space for expansion, age of physical plant, or lack of reasonably priced land as a primary disadvantage with relative frequency (Table 3-14). And it will come as a surprise to some that high taxes were not mentioned with any greater frequency by establishments in these central city areas than by all establishments. It was in the Contra Costa-Marin area and in Santa Clara County that high wage rates were mentioned with particular frequency as a primary disadvantage, while there was also some tendency for establishments in the Oakland-Berkeley area to mention this factor fairly frequently. In the light of the data in Table 3-13, it seems probable that it was chiefly manufacturing establishments in these areas that mentioned this factor and that it was the high wage rates in the Bay Area as a whole rather than intra-area differences that they had in mind.

Interviewees were also asked what they considered to be the most important factors, in rank order of importance, in determining the optimal location of an establishment. Their answers tended to be very carefully thought out, with respondents drawing a clear distinction between optimal location and any advantages or disadvantages associated with the establishment's present location. However, the results did not differ greatly from those relating to advantages of the establishment's

Table 3 - 12

Disadvantages of Present Location --
Bay Area Employer Policy Survey, 1967

Nature of disadvantage	Disadvantages mentioned in order of importance				All responses
	First	Second	Third	Fourth	
All establishments (or all responses) Number	309	309	309	309	466
Per cent	100.0	100.0	100.0	100.0	100.0
Lack of space for physical expansion, lack of reasonably priced land, or age of plant	19.0	6.2	2.2		18.3
High wage rates	12.0	6.1	0.3		12.2
Lack of access to transportation	9.7	6.6	1.3	0.3	11.8
Undesirable site re immediate neighborhood	9.1	2.9	1.6		9.0
Miscellaneous environmental factors	4.8	2.5	1.6	0.3	6.2
Lack of proximity to markets	3.6	1.0	1.0	0.3	4.3
Lack of proximity to materials	2.9	2.6		0.3	3.9
High taxes	6.8	4.5	3.6	1.0	10.5
High rent	1.3	0.3			1.1
Lack of centrality	1.9	0.6			1.7
Traffic congestion	2.3	1.3			2.4
Labor relations problems	1.6	0.3	0.3		1.5
All other	3.0	3.3	1.7		4.7
No disadvantages	18.8				12.4
Information not available, or no second, third, or fourth disadvantage mentioned	3.2	61.8	86.4	97.8	

Table 3 - 13

Primary Disadvantage of Present Location, by Major Industry Group --
Bay Area Employer Policy Survey, 1967

Primary disadvantage	Total	Mining and construction	Manufacturing -- durable	Manufacturing -- non-durable	Transportation and utilities	Trade	Finance, insurance, and real estate	Services	Government
All establishments									
Number[a]	285	24	54	59	27	40	22	32	27
Per cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Lack of space for expansion, lack of reasonably priced land, or age of plant	20.6	12.5	11.1	16.7	37.1	27.5	18.2	31.4	18.5
Poor site re immediate neighborhood	9.8	--	5.6	8.5	3.7	25.0	18.2	6.2	11.1
Lack of proximity to markets	3.9	--	5.6	10.2	3.7	2.5	--	--	--
Lack of proximity to materials	3.2	4.2	7.4	5.1	--	2.5	--	--	--
Lack of access to transportation	10.5	12.5	3.7	3.4	7.4	2.5	13.6	34.4	22.2
High wage rates	13.0	--	37.0	15.3	3.7	5.0	9.1	3.1	7.4
High taxes	7.4	4.2	11.1	13.6	--	10.0	4.5	3.1	--
Other	11.2	20.8	3.7	13.6	11.1	12.5	18.2	6.2	11.1
No disadvantages	20.4	45.8	14.8	13.6	33.3	12.5	18.2	15.6	29.7

[a]Total excludes establishments not mentioning a specific primary disadvantage. This accounts for minor differences in percentages shown in the first column of this table, as compared with the first column of Table 3-12.

Table 3 - 14

Primary Disadvantage of Present Location, by Main Address of Establishment -- Bay Area Employer Policy Survey, 1967

Primary disadvantage	Total	San Francisco County	Oakland-Berkeley Area[b]	Southern Alameda County[b]	Northern San Mateo County	Southern San Mateo County	Santa Clara County	Contra Costa and Marin counties
All establishments								
Number[a]	285	108	57	35	16	22	20	27
Per cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Lack of space for expansion, lack of reasonably priced land, or age of physical plant	20.6	27.9	24.6	14.3	12.6	18.2	20.0	--
High wage rates	13.0	6.5	17.5	14.3	--	9.1	25.0	29.7
Lack of access to transportation	10.5	12.0	8.8	11.4	12.5	13.6	5.0	7.4
Poor site re immediate neighborhood	9.8	14.8	10.5	--	--	9.1	10.0	7.4
High taxes	7.4	6.5	7.0	11.4	--	13.6	10.0	3.7
Lack of proximity to markets	3.9	3.7	5.3	--	--	--	5.0	11.1
Lack of proximity to materials	3.2	0.9	1.8	2.9	12.5	9.1	--	7.4
Other	11.2	12.0	14.0	14.3	12.5	4.6	10.0	3.7
No disadvantage	20.4	15.7	10.5	31.4	49.9	22.7	15.0	29.6

[a]Total excludes establishments not providing information on a specific primary disadvantage.

[b]For definitions of these areas, see footnotes to Table 3-3.

present location, except for the fact that proximity to markets figured somewhat more prominently as the most important factor, while availability of good quality labor assumed greater relative importance in the responses of establishments in durable goods manufacturing industries (Table 3-15). More detailed tables relating to these responses are included in the appendix (Appendix Tables C-5 to C-7).

Finally, the establishments that had moved in the last five years were asked about their reasons for moving. The need for more space, other reasons relating to the physical plant, and availability of reasonably priced land accounted for almost all of the first reasons mentioned and for the great majority of responses when the first and second most important reasons were cumulated (Table 3-16). The number of establishments that moved was too small to justify any detailed analysis by major industry group or previous location.

However, there were important considerations tending to create resistance to moving, as well. As one central city executive pointed out, "the establishment has been here so long that the plant and equipment are completely amortized -- moving would entail a very considerable cost." Some of the other reasons cited for remaining in San Francisco included the fact that "the executives like San Francisco, despite clear locational disadvantages for our establishment"; "the prestige of location of our headquarters in downtown San Francisco"; and "the prestige of a San Francisco address when in a worldwide business."

Geographical variations in labor factors. If labor factors did not figure particularly prominently among locational advantages or disadvantages mentioned by our respondents, except for the indication that high wage rates in relation to other areas were regarded as a disadvantage, this may well have reflected the fact that geographical differences within the area in the supply of labor and in wage rates were relatively insignificant. We turn, then, to a consideration of results of our study which shed some light on such geographical differences.

Perhaps the most significant variations are found in the extent of coverage by collective bargaining agreements. As is well known, and discussed elsewhere in this report, most major industry groups in the San Francisco Bay Area are highly organized, including the trade and service industries, as well as such industry groups as construction, manufacturing, and transportation and utilities. Only the government sector and finance, insurance, and real estate are relatively unorganized (see Table 6-1).

Thus, it is of interest to find that establishments in Southern San Mateo and Santa Clara counties were less likely to be covered by collective bargaining agreements than establishments in other parts of the Bay Area (Table 3-17). In the case of Santa Clara County, the difference clearly could not be explained by disproportionate representation of the relatively unorganized major industry groups, although this factor evidently played something of a role in the case of Southern San Mateo County (see Table 3-5). Nor does examination of the data relating to collective bargaining coverage by major industry group within each of these areas suggest that industry mix played a role, particularly in the case of Santa Clara County, although the detailed data (not shown) must be interpreted with caution because of limitations of sample size. However, it should also be pointed out, in this connection, that another study associated with our labor market research project has indicated that a considerable number of electronics firms on the Peninsula and in the San Jose Area are unorganized.[10] It is also true, of course, as was indicated

Table 3-15

Summary of Most Important Factors in Determination of Optimal Location, for Durable Goods Manufacturing, Nondurable Goods Manufacturing, and All Establishments -- Bay Area Employer Policy Survey, 1967

Industry and factor	Most important factor	Second most important factor	Third most important factor	Total -- three most important factors
Manufacturing -- durable				
Total number[a]	54	53	47	154[b]
Per cent	100.0	100.0	100.0	100.0
Proximity to markets	48.1	13.2	4.3	22.7
Availability of labor	22.2	15.1	19.1	18.8
Wage rates	7.4	17.0	19.1	14.3
Access to transportation	5.6	26.4	14.9	15.6
Space for expansion	--	1.9	17.0	5.8
All other	16.7	26.4	25.6	22.8
Manufacturing -- nondurable				
Total number[a]	61	57	52	170[b]
Per cent	100.0	100.0	100.0	100.0
Proximity to markets	49.2	12.3	9.6	24.7
Proximity to materials	23.0	21.1	1.9	15.9
Availability of labor	4.9	10.5	19.2	11.2
Access to transportation	8.2	21.1	36.5	21.2
Space for expansion	6.6	19.3	5.8	10.6
All other	8.1	15.7	27.0	16.4
All establishments[a]				
Total number	297	259	211	767[b]
Per cent	100.0	100.0	100.0	100.0
Proximity to markets	50.2	13.5	5.2	25.4
Availability of labor	11.1	14.7	17.1	13.9
Wage rates	2.7	6.2	9.5	5.7
Access to transportation	7.4	22.0	26.5	17.6
Space for expansion	4.4	12.0	20.9	11.5
Reasonably priced land	2.4	11.6	8.1	7.0
All other	21.8	20.0	12.7	18.9

[a]Totals exclude establishments not mentioning first, second, or third most important factor.

[b]Total refers to all factors mentioned, rather than to establishments.

Table 3 - 16

Most Important Reasons for Moving, for Firms That Have Moved in Last Five Years -- Bay Area Employer Policy Survey, 1967

Reason	First most important	Second most important	Total first and second most important
All establishments that moved (or all reasons)[a]			
Number	35	10	45
Per cent	100.0	100.0	100.0
Need for more space	59.9	--	46.8
Modernization of plant	8.6	20.0*	11.1
Other reasons relating to physical plant	14.3	10.6*	13.3
Reasons relating to environmental factors	2.9	10.0*	4.4
Availability of types of labor required	--	20.0*	4.4
Reasons relating to transportation requirements	--	20.0*	4.4
Availability of land at reasonable price or other economic factor	8.6	10.0*	8.9
Other	5.7	10.0*	6.7

*Percentages based on fewer than 15 cases.

[a]Total excludes establishments that moved but did not report a reason for moving.

Table 3 - 17

Per Cent of Establishments Covered
by Collective Bargaining Agreements,
by Main Address of Establishment

Main address of establishment	Number of establishments	Per cent covered
All establishments	309	76.4
San Francisco County	112	75.9
Oakland-Berkeley Area[a]	63	84.1
Southern Alameda County[a]	38	78.9
Northern San Mateo County[a]	21	76.2
Southern San Mateo County[a]	22	59.1
Santa Clara County	25	64.0
Contra Costa and Marin counties	28	82.1

[a]For definitions of these areas, see footnotes to Table 3-3.

earlier, that the proportion of nonproduction workers in the aerospace industries tends to be relatively high.

When we consider the proportion of employees covered by collective bargaining agreements, we find that in both the northern and southern parts of San Mateo County there were relatively few establishments with 80 per cent or more of their employees covered by a collective bargaining agreement, particularly as contrasted with San Francisco and the Oakland-Berkeley area (see Appendix Table C-8).

Whether these differences in extent of coverage by collective bargaining are associated with related patterns of geographical wage differentials within the Bay Area is a question of considerable interest, but one which we cannot really attempt to answer until analysis of the detailed wage data included on our Part II schedules has been completed. So far as published wage data are concerned, they shed very little light on intra-area differences, although comparisons between the San Francisco-Oakland Metropolitan Area as a whole and the San Jose Area can be made. These comparisons reveal a mixed picture for white-collar workers, but a tendency for wage rates for blue-collar workers to be somewhat lower in the San Jose Area than in the San Francisco-Oakland Area (Appendix Table C-9).

Conclusions relating to locational factors. The results of our survey, along with other data which have been examined, suggest that industrial decentralization within the Bay Area has been influenced considerably more by such physical factors as the availability of land and access to transportation than by labor factors. There is little evidence that relatively high wage rates in the central cities, as compared with the more outlying areas, or greater prevalence of unionization in the central cities have played major roles.

When one considers that most of the expansion in manufacturing employment has been in the relatively new electronics sector of the electrical machinery industry and in an industry (ordnance) which was virtually nonexistent in the ay Area in 1950, and that some of the assembly operations in these industries require large amounts of floor space, it is easy to understand why companies establishing new plants would be attracted by an outlying area where agricultural land (much of it planted in orchards) was available at relatively reasonable prices, compared with prices for industrial land in the central cities.

This was by no means the whole story, however. Since the products of these expanding industries were not, for the most part, bulky, access to a port so that products could be shipped by ocean transportation was not important. With the growth of the air freight industry, products could be shipped to the East or abroad by air freight and to other parts of the West Coast, by truck, air, or rail. And, to the extent that railway transportation was still used, San Jose had good rail connections.

Several factors apparently favored the southern San Mateo County and San Jose areas over southern Alameda County. One was proximity to Stanford University or other educational and research institutions, and it should be pointed out that Stanford University has made the most of this advantage by developing the attractive Stanford Industrial Park. Another factor was proximity to the San Francisco Airport, which at least until very recently, has had considerably more extensive facilities than the Oakland Airport. As places for company executives and salaried employees to live, moreover, the Peninsula communities probably had greater appeal than the communities of southern Alameda County and were more oriented to cosmopolitan San Francisco than less sophisticated Oakland.

One cannot, however, rule out the role of labor factors. Had not a good deal of suburban population growth occurred, it seems doubtful that companies establishing plants or expanding existing plants on the Peninsula would have felt they could count on an adequate labor supply. Some of the electronics firms, for example, found that Peninsula housewives could be hired and trained to perform precise assembly work very satisfactorily. Women, it was claimed, had a high degree of finger dexterity and could carry out these delicate assembly operations more effectively than men. And the employment of large numbers of female workers, as well as the large proportion of nonproduction workers in the aerospace industries, may be a factor in explaining the less extensive penetration of unionization among establishments in southern San Mateo and Santa Clara counties.

Finally, manufacturing industries which tend to be oriented to a local or Bay Area market were encouraged to locate outside the central cities as suburban population growth assumed major proportions. And, since transportation by truck had become the predominant means of transporting goods within the area and to neighboring parts of the state, access to a freeway, rather than access to rail transportation, became a major consideration which likewise tended to favor location outside the congested downtown areas of the central cities.

Footnotes to Section III

1. Dorothy K. Newman, "The Decentralization of Jobs," Monthly Labor Review, LXXXX (May, 1967), 7-13.

2. County and City Data Book: 1967, U. S. Bureau of the Census (Washington, D.C.: U. S. Government Printing Office, 1967), Tables 2 and 4.

3. Computed from data in California Employment and Payrolls: 1950, California Department of Employment, Report 127, No. 13 (Sacramento: 1952), Tables 4, 21, and 22; and ibid., October-December 1966, Supplement, Report 127, 29d (Sacramento: 1967), Tables 20 and 21. 1950 data for Solano County, which was included in the San Francisco-Oakland Metropolitan Area at that time, have been deducted. There were no appreciable changes in unemployment insurance coverage affecting private employment, which might have impaired the comparability of the data, during this period. Coverage applied throughout to firms with one or more employees and to almost all types of private employment except for agricultural and domestic workers and the self-employed.

4. East Bay Manpower Survey, California Department of Employment (San Francisco: 1967), pp. 7 and 66.

5. For employment in the aerospace industries, see Aerospace Employment: California and Metropolitan Areas, 1949-1967, California Department of Industrial Relations (San Francisco: 1968).

6. For a discussion of this tendency, see Robert J. Flanagan, Manufacturing Employment and Industrial Location in San Francisco, Center for Labor Research and Education, Institute of Industrial Relations. University of California, Berkeley (Mimeographed Report, 1967).

7. Our choice of the five-year period was, at least in part, based on the expectation that our interviewees would be in a position to speak more authoritatively about the reasons for moves that had occurred within a very recent period.

8. The most important locational factors, ranked in order of relative importance, mentioned by respondents in the East Bay survey were: (a) nearness of freeway, (b) nearness to market, (c) nearness to established labor supply, and (d) ability to expand. Development Research Associates, Land Utilization, Marketability Study, West Berkeley Industrial Park Project (Los Angeles: 1966), p. 26.

9. In the area wage surveys conducted periodically by the U. S. Bureau of Labor Statistics in some 60 to 70 of the largest metropolitan areas, wages in the San Francisco-Oakland Metropolitan Area are usually found to be the highest, or nearly the highest, in the country for the occupation groups included in the surveys. They are particularly high for unskilled plant workers, and indeed relatively high wages for unskilled workers have been the historical pattern in the area. See, for example, "Metropolitan Area Pay Levels and Trends," Monthly Labor Review, XCI (April, 1968), 44-49.

10. Sidney Ingerman, doctoral thesis in preparation relating to wage differentials in the electronics industry.

IV. Part-Time and Temporary Staff Agency Workers and Contract Practices

Part-time workers - employment by industry. Inquiries about certain of the several means of accommodating to the vagaries of weather and the economy and also of demand and supply factors in an ever shifting labor market followed logically from our earlier questioning concerning employment changes. We were particularly anxious to explore employer policy and experience regarding part-time employment. Frequently it is only by means of this practice that various groups including women, students, and the retired can obtain employment. Further, in a tight labor market, employers can sometimes most advantageously obtain needed skills or most economically supplement their full-time staffs by hiring these workers.

The experience of the respondents with part-time workers (always cited, it must be repeated, in terms of numbers of establishments rather than numbers of workers) may be easier to appraise against the background of national experience for which employment figures are available.

At midyear in 1967, almost 13 per cent of all nonagricultural wage and salary workers in the United States were employed part time.[1] Nine per cent of the total were so-called "voluntary" part-time workers in that they chose a workweek of from one to 34 hours voluntarily rather than that short hours were imposed on them for lack of work to be done or for some other economic reason. The employment of such voluntary part-time workers was very much heavier in services (even with workers in private households excluded) and in trade (wholesale and retail combined) than in any other industry. Voluntary part-time employment was of next greatest significance in finance and insurance followed by government, construction, nondurable goods manufacturing, transportation, and, finally, durable goods manufacturing.

By far the largest proportion of the nation's workers who accepted voluntary part-time work in July 1967 were in clerical and service occupations, with the latter group excluding those employed in private households.[2] These were followed at some distance by approximately equal percentages of professional and technical workers and by salesworkers. Considerably fewer in relative number were the part-time workers in semiskilled and unskilled jobs, and very much fewer, the relative numbers in managerial and skilled jobs.

When the survey employers were questioned if they employed part-time workers, defining them as persons regularly working from one to 34 hours per week, they were asked to disregard those employees hired for seasonal reasons, vacation relief, or to meet temporary emergencies. These "regular" part-time workers, as they came to be called in the Bay Area Employer Survey, at least approached in concept, we believe, the "voluntary" part-time workers of federal reporting, an appraisal that appears confirmed by the groups from which they were most often recruited.

In answer to the above question, almost half of all employers included in the survey replied affirmatively (Table 4-1). The major industry groups that employed relatively large proportions of part-time workers nationally were also in the lead in the Bay Area. The order of their importance, locally,

Table 4 - 1

Employment of Regular Part-time Workers
By Major Industry Group --
Bay Area Employer Policy Survey, 1967

Major industry group	Total		Employs part-time workers	Does not employ part-time workers
	Number	Per cent		
All industries:	309	100.0	47.0	53.0
Mining and construction	26	100.0	11.5	88.5
Durable goods	57	100.0	19.3	80.7
Nondurable goods	62	100.0	32.3	67.7
Transporation; communication; electric, gas, and sanitary services	27	100.0	25.9	74.1
Wholesale trade	13	100.0	30.7*	69.3*
Retail trade	33	100.0	87.9	12.1
Finance, insurance, and real estate	25	100.0	84.0	16.0
Services	36	100.0	72.2	27.8
Government	30	100.0	76.7	23.3

* Percentages based on fewer than 15 cases.

however -- finance, insurance, real estate; government; services; and trade -- was not the same. These differences arise, we can surmise, very largely from the fact that in our survey, relative orders of magnitude related to number of establishments (and only the larger establishments at that, which understates the importance of trade and services) rather than to numbers of workers involved. Major industry groups less likely to furnish part-time job opportunities in the Bay Area were nondurable goods manufacturing, transportation, and durable goods manufacturing. Least fertile ground of all for part-time employment, locally, was construction.

On Table 4-2 following, respondents' reasons for employing or not employing regular part-time workers are presented in considerable detail and by industry. The order of priority assigned various considerations, pro and con, to their employment does vary among the different industries. Overall, however, the reason for hiring short hour workers receiving the highest mention was that their employment allows the establishment to accommodate to peak or slack periods and to special jobs. Such accommodation was shown as of particular importance in retail trade, services, and finance. The second most generally expressed reason for part-time hires (and a reason, possibly, of growing significance because of the frequent "after hours" employment of data processing crews) was that work of a part-time nature existed outside of normal working hours in the form of odd-hour or partial shifts.

That the employment of part-time workers does not fit in with the establishment's mode of operations including normal work schedules was far and away the most frequently given reason for not employing part-time workers. This objection received especial weight from employers in manufacturing, wholesale trade, and construction. "No need for them" was the second most significant comment voiced generally against part-time employment.

Union influence on part-time employment. In discussing their reasons for employing or not employing part-time workers, a considerable number of respondents mentioned that unions exercised some influence or control over this practice. These employers were, in turn, asked to describe the extent to which this influence or control is exerted (or could be exerted were part-time workers hired).

Our data provide the bases for no simple or easy generalizations as to the degree of influence, adverse or otherwise, that unions exercise over the practice. Rather, the degree to which part-time workers were utilized in given establishments or industries appeared to vary in accordance with several factors among which union influence or control was but one.

Respondents in retail trade, for example, were more likely than employers from any other major industry group to reply that unions had jurisdiction over their part-time employees and influenced or controlled their employment. (Data not shown.) Yet, in this major industry group, relatively more survey employers than in any other employed part-time workers. Characteristics of retail trade having an important bearing on the use of part-time workers are reflected in the reasons supplied by the respondents for employing or not employing them. Relatively more reasons given by retail trade employers than by those in any other major industry group indicated a need to meet the peaks and valleys of a fluctuating work load; relatively, the fewest number of reasons implied that part-time workers did not fit in with the establishment's mode of operations; and,

Table 4 - 2

Reasons for Employing or Not Employing Regular Part-time Workers by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Reasons	All industries	Industry									
		Mining and construction	Manufacturing	Durable goods	Non-durable goods	Transportation	Wholesale trade	Retail trade	Finance ins. real est.	Services	Government
All reasons[a]											
Number	307	26	118	57	61	27	13	33	24	36	30
Per cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Reasons for employing											
To accommodate to peak or slack periods and to special jobs	17.9	3.8	9.3	10.5	8.2	18.5	7.7	57.5	20.8	27.6	10.0
Part-time work exists outside working hours as odd hour or partial shift	7.2	--	3.4	1.8	4.9	3.7	--	18.2	20.8	5.6	13.3
Availability of workers desiring part-time work	6.8	7.7	5.9	5.3	6.6	--	--	--	16.8	13.9	10.0
Part-time work exists during normal working hours	6.5	--	4.2	--	8.2	--	15.4	--	4.2	8.3	30.2
More economical	1.9	--	--	--	--	--	7.7	9.1	8.3	--	--
To accommodate to shortage occupations	1.9	--	0.8	1.8	--	3.7	--	--	8.3	2.8	3.3
To contribute to recruitment of potential full-time workers	1.6	--	0.8	--	1.6	--	--	--	8.3	2.8	3.3

/Table continued/

Table 4 - 2 continued

Reasons	All industries	Industry									
		Mining and construction	Manufacturing	Durable goods	Non-durable goods	Transportation	Wholesale trade	Retail trade	Finance ins. real est.	Services	Government
Reasons for not employing											
Do not fit in with establishments mode of operations including work schedule	29.8	38.5	45.2	50.7	39.4	37.1	38.4	9.1	4.2	13.9	13.3
No need for part-time workers	15.3	30.8	19.5	21.1	18.0	25.9	30.8	--	8.3	5.6	3.3
Union does not permit or restricts part-time employment	3.9	7.7	4.2	3.5	4.9	11.1	--	--	--	5.6	--
Collective bargaining agreement requires pay for hours beyond those worked	1.3	3.8	2.5	--	4.9	--	--	--	--	--	--
Other reasons	5.9	7.7	4.2	5.3	3.3	--	--	6.1	--	13.9	13.3

[a]Total reasons exclude employers not providing information.

alone among all major industry groups, there were no reasons indicating part-time workers were unneeded.

When the various methods by which unions can influence or control the employment of part-time workers are considered (Table 4-3) it is noted that the most restrictive union measures that can be applied were absent in retail trade. The limitations mentioned with greatest relative frequency were that the hours worked are specified by collective bargaining contract and that a ratio of part-time to full-time workers is specified in the bargaining agreement.

At the other end of the scale, collective bargaining agreements that preclude hiring part-time workers were mentioned with greatest relative frequency in durable goods manufacturing. And in this group of industries, part-time workers find comparatively few jobs except in office occupations that are usually not subject to union jurisdiction. However, it is also in these industries that relatively more employers than in any other stated that part-time workers did not fit in with the normal mode of operations and that a higher-than-average proportion of employers stated no need for them.

It should, of course, be noted that next at the top after retail trade in the relative number of survey establishments providing part-time employment opportunities were those in the relatively nonunionized sectors -- finance, insurance, and real estate and government. And these were relatively the least likely to report that the jobs held by part-time workers were under union jurisdiction or, if they were, that stringent measures of control were exercised.

Part-time employment - occupations. As to the light which our data may shed on the question -- in what occupations do "regular part-time workers" most likely find employment in the Bay Area? -- the reminder may again be timely that these data are based on numbers of establishments rather than on amount of employment. The relative frequency with which respondents mentioned that part-time workers were employed in a given occupation in their establishments should afford some indication as to the relative importance of that occupation as a source of short hour job opportunities. The relative frequency with which these mentions were made, however, cannot in any sense be used to compute the volume or occupational distribution of part-time employment in the Bay Area.

Survey respondents mentioned with greatest relative frequency those same two categories of jobs in which most of the nation's voluntary short hour workers are employee -- clerical and service jobs (Table 4-4). Professional and technical jobs for part-time workers were mentioned with slightly greater relative frequency than their proportionate share of the nation's voluntary part-time employment would indicate.

The respondents did not place quite the proportionate emphasis on sales jobs that their relative importance nationally, when measured in terms of actual employment, suggests. However, the concentration of our survey on large establishments and its ignoring of self-employment preclude regarding this fact as evidence that part-time sales jobs are less important in this area than elsewhere. As in the nation, industrial-type jobs, particularly those for skilled craftsmen appeared, from our data, to offer the fewest opportunities for part-time workers seeking shorter hours of their own volition.

Another aspect of employer practices respecting the employment of regular part-time workers was explored by asking if such workers were characteristically

Table 4 - 3

Union Methods of Influencing or Controlling Employment of Part-time Workers of Major Industry Group -- Bay Area Employer Policy Survey, 1967

Methods	All industries	Major Industry Group									
		Mining and construction	Manufacturing	Durable goods	Non-durable goods	Transportation	Wholesale trade	Retail trade	Finance ins. real est.	Services	Government
All methods[a]											
Number	113	10	49	19	30	14	6	19	1	13	1
Per cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Collective bargaining agreement precludes part-time workers	26.6	20.0*	36.6	57.8	23.4	42.9	*	--	*	7.7*	*
Guaranteed work week or work day provided by collective bargaining agreement	15.9	20.0*	20.4	5.3	30.0	14.3	*	--	*	23.1*	*
Full days pay required for part of a day worked	14.2	30.0*	18.4	26.3	13.3	7.1	*	--	*	23.1*	*
Hours worked specified by collective bargaining agreement	10.6	--	4.1	5.3	3.3	--	*	42.1	*	7.7*	*
Part-time workers required to be union members	9.7	--	8.2	--	13.3	14.3	*	15.8	*	--	*
Ratio of part-time to full time workers predetermined by collective bargaining agreement	8.0	--	4.1	5.3	3.3	14.3	*	21.0	*	--	*

/Table continued/

Table 4 - 3 continued

	All industries	Major Industry Group									
		Mining and construction	Manufacturing	Durable goods	Non-durable goods	Transportation	Wholesale trade	Retail trade	Finance ins. real est.	Services	Government
Premium rates required for part-time workers	6.2	10.0*	4.1	--	6.7	--	*	15.8	*	7.7*	*
Pay and/or fringe benefits specified by collective bargaining agreement	4.4	10.0*	--	--	--	--	*	5.3	*	23.0*	*
Other	4.4	10.0*	4.1	--	6.7	7.1	*	--	*	7.7*	*

*Percentages based on fewer than 15 cases or not computed because of small numbers.

[a]Total methods exclude those employers with no unions or with union exercising no influence or control over part-time employment and employers not providing information. The number of methods corresponds directly with the number of employers reporting.

Table 4 - 4

Occupations in Which Survey Establishments Employ Part-time Workers -- Bay Area Employer Policy Survery, 1967

All occupations[a]	
Number	260
Per cent	100.0
Professional occupations	8.4
Registered nurses	2.7
Teachers	2.7
Other professional occupations	3.0
Technical occupations	6.9
Engineering technicians	1.1
Medical technicians	1.1
Teacher aides	2.0
Other technical occupations	2.7
Clerical occupations	44.6
Clerks (including accounting clerks)	8.1
Office machine operators	2.0
Stenographers and/or secretaries	1.5
Stock clerks and shipping clerks	3.5
Typists	5.0
Other clerical occupations	24.5
Sales occupations	10.0
Sales persons and sales clerks	9.2
Other sales occupations	0.8
Skilled occupations	0.8
Skilled occupations	0.8
Semiskilled occupations	3.5
Truck drivers	2.4
Other semiskilled occupations	1.1
Unskilled occupations	7.3
Laborers, including materials handlers and warehousemen	1.5
Other unskilled occupations	5.8
Service occupations	18.5
Custodians	2.7
Guards	1.5
Nurses aides	1.5
Other service occupations	12.8

[a]Total occupations exclude those establishments that did not use part-time workers and those not providing information. The total exceeds the number reporting as some employers mentioned more than one occupation.

recruited from any specific applicant group (Table 4-5). Of the 142 employers employing these workers and providing the information, a comparatively small proportion answered in the negative. Most, in fact, named more than one applicant group from which regular part-time workers were generally sought by their establishments.

In order of the relative prominence with which special groups were named, students headed the list with dual job holders or "moonlighters," as they were frequently called, in second place. Housewives and youth (with their student status unspecified) followed. Retired persons were mentioned as a final specific category. The comment was often added that establishments found it particularly helpful to hire, part-time, their own retirees in instances where certain hard-to-find skills were involved or a certain specific work experience was needed.

Temporary staff agency workers. Next, we turned to the subject of employer practices regarding the use of workers from such temporary staff agencies as Manpower, Inc. or Kelly Girl Services, Inc. Although we were not able to determine the growth of this practice by the survey establishments in recent years, there is every indication that the use of these agencies to supply temporary and often emergency labor needs is expanding rapidly.

Temporary staff agencies serve, at once, both to provide a supplementary source of labor when it is needed and to "organize" the labor supply available for temporary and short hour work in such a way that it can be effectively utilized. "Organization" in this context implies bringing together those needing temporary workers and workers seeking short-term employment by means of the provision of order-taking services and the referral of workers whom the staff agencies have screened, selected, and will pay and, possibly, whom they have tested and trained.

While less than half of the survey respondents reported employing regular part-time workers, about three-fourths indicated that they used the services of temporary staff agencies (Table 4-6). Wholesale trade employers, in fact, replied, 100 per cent, that they used such services while more than 90 per cent of all respondents from finance, insurance, and real estate and more than 80 per cent from manufacturing obtained a supplementary work force by this means. The use of such agencies can be characterized as relatively slight only by government establishments where employers reported little need for them, or that they were prohibited by statute or administrative regulation from filling their short-term or emergency requirements for additional help in this manner.

In spelling out the reasons for meeting their labor requirements by way of temporary staff agencies (Table 4-7), most of the respondents pointed to the convenience of accommodating to short-term or seasonal work load or to such emergencies as staff absences in this manner. We had anticipated that a larger proportion of the reasons given for using these agencies would relate to the well publicized economies of avoiding various payroll costs associated with hiring permanent employees. Actually, the relative weight of reasons having this complexion was but little more than that of less widely broadcast advantages. The latter included finding already trained personnel or screening for potentially permanent personnel through use of these services.

Those not using such agencies reported, most often, that they had no need for their services. The most significant variance from this reason given for the

Table 4 - 5

Applicant Groups from Which Survey Establishments Characteristically Recruit Part-time Workers -- Bay Area Employer Policy Survey, 1967

Applicant groups	
All groups[a]	
Number	247
Per cent	100.0
Students	37.2
Dual jobholders	26.3
Housewives	10.5
Youth	7.3
Retired persons	6.5
No special groups	6.5
Other groups	5.7

[a]Total applicant groups exclude those establishments reporting no recruitment of these groups and employers not providing information. The total exceeds the number reporting as some employers reported more than one group.

Table 4 - 6

Use by Survey Establishments of Temporary Staff Agencies by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Industry	Total		Uses temporary staff agencies	Does not use temporary staff agencies
	Number	Per cent		
All establishments[a]	307	100.0	72.6	27.4
Mining and construction	26	100.0	73.1	26.9
Manufacturing	119	100.0	83.2	16.8
Durable goods	57	100.0	84.2	15.8
Nondurable goods	62	100.0	88.3	17.7
Transportation and utilities	27	100.0	70.4	29.6
Trade	46	100.0	80.0	20.0
Wholesale	13	100.0	100.0*	0.0*
Retail	33	100.0	71.9	28.1
Finance, insurance, and real estate	25	100.0	92.0	8.0
Services	36	100.0	68.6	31.4
Government	30	100.0	16.7	83.3

*Percentages based on fewer than 15 cases.

[a]Total establishments exclude those employers not providing information.

Table 4 - 7

Reasons for Use or Nonuse of Temporary Staff Agencies by Survey Establishments by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Reasons	All industries	Major Industry Group									
		Mining and construction	Manufacturing	Durable goods	Non-durable goods	Transportation	Wholesale trade	Retail trade	Finance ins. real est.	Services	Government
All reasons[a]											
Number	293	23	116	55	61	26	13	31	25	31	28
Per cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Reasons for using temporary staff agencies	71.6	65.2	82.0	83.7	80.4	73.1	100.0*	64.6	80.0	74.2	17.9
Short term or seasonal work load	24.8	4.3	25.1	25.5	24.6	38.5	46.1*	32.3	20.0	35.5	3.6
Staff emergencies (vacations, illnesses, other absences)	22.9	34.9	31.1	25.5	36.1	23.1	38.5*	12.9	16.0	9.7	3.6
Emergencies not specified	14.0	21.7	12.9	20.0	6.6	11.5	15.4*	12.9	24.0	16.1	3.6
Convenience of use of temporary agency staff as opposed to process of hiring permanent employees	3.1	--	5.2	5.5	4.9	--	--	6.5	4.0	--	--
Use of temporary employment period as a means of screening for permanent employees	2.4	--	1.7	3.6	--	--	--	--	4.0	6.5	7.1
Immediate availability of workers	2.4	--	3.4	3.6	3.3	--	--	--	8.0	3.2	--
Availability of trained personnel	2.0	4.3	2.6	--	4.9	--	--	--	4.0	3.2	--

/Table continued/

Table 4 - 7 continued

Reasons	All industries	Major Industry Group									
		Mining and construction	Manufacturing	Durable goods	Non-durable goods	Transportation	Wholesale trade	Retail trade	Finance ins. real est.	Services	Government
Reasons for not using temporary staff agencies	22.6	26.1	14.6	12.7	16.3	19.2	--	32.2	8.0	19.3	71.4
No need	14.7	26.1	9.5	9.1	9.8	15.4	--	25.8	4.0	16.1	28.5
Uses own reserve pool of former employees	1.7	--	1.7	1.8	1.6	3.8	--	3.2	--	--	3.6
Does not fit into mode of operations	2.4	--	3.4	1.8	4.9	--	--	3.2	4.0	3.2	--
Prohibited by statute or administrative regulation	3.8	--	--	--	--	--	--	--	--	--	39.3
Other reasons	5.8	8.7	3.4	3.6	3.3	7.7	--	3.2	12.0	6.5	10.7

*Percentages based on fewer than 15 cases.

[a]Total reasons exclude employers not providing information. Reasons exceed the number reporting as more than one reason was given by some employers.

nonuse of temporary staff agencies came from survey employers in government establishments. These respondents in large measure reported they could not use these agencies by law or regulation.

Most employers reported using the services of temporary staff agencies only as need arises rather than on a continuing basis. However (and particularly in large establishments), some respondents indicated that such need arises so frequently and in so many quarters of the organization that agency workers were, in fact, employed continuously.

As in the case of part-time workers, most jobs reported as filled in the survey establishments by temporary staff workers fell within the clerical category (Table 4-8). The relative degree to which staff agency workers were concentrated in clerical jobs was reported to be much greater by the survey establishments, however, than that of regular part-time workers. Further, clerical workers dispatched by these agencies appeared more likely to be assigned the higher level clerical jobs than were regular part-time workers, according to the respondents' reports.

The proportion of jobs in other than clerical occupations mentioned by our respondents as filled with agency workers appeared insignificant in light of the gamut of activities such agencies advertise themselves as capable of staffing. Conceivably, the facility with which the temporary staff agencies satisfy requirements for additional clerical help on an emergency basis brought this one among their several services so immediately to mind that referrals of workers in professional and technical, service, sales, and industrial occupations were understated by our respondents.

Inquiries concerning the degree of influence or control unions may exert with respect to the practice of using temporary staff agencies elicited an almost completely negative response, presumably because the great bulk of the labor needs thus filled are for workers in office jobs.

Contract practices. As a final exploration into those employer practices that can supplement an organization's regularly employed force of full-time workers the respondents were asked if their establishments "let out subcontracts" -- a phrase that was broadened from the outset of our interviewing to include prime contracts and concessions. Eighty-eight employers replied in the negative while 221 affirmed the use of one or more of these practices. The type of activities covered by these legal instruments and the incidence of their use varied widely by industry (Table 4-9).

Reasons given for subcontracting or not also varied widely (Table 4-10). Responses from construction employers reflected primarily the reliance of the prime contractor on special trades contractors for the performance of work outside the specialties of the former or for work which the prime contractor lacked the capabilities to accomplish. Reasons given for subcontracting by manufacturing employers were often similar in that "contracting out" allowed them to supplement their facilities or manpower, often a necessity if rigid production deadlines were to be met. Many responses reflected the use of contracts as a means of obtaining services of a custodial or protective nature. Others were concerned with the management and staffing of essentially alien facilities such as cafeterias housed in financial institutions where there was no wish and little

Table 4 - 8

Occupations in which Temporary Staff Agency Workers are used by Survey Establishments -- Bay Area Employer Policy Survey, 1967

Occupations	
All occupations[a]	
Number	429
Per cent	100.0
Professional and technical occupations	3.3
Draftsmen	1.9
Other professional and technical occupations	1.4
Clerical occupations	94.9
Stenographers and secretaries	21.4
Typists	28.6
Clerks (including accounting clerks)	15.2
Office machine operators (including key punch and duplicating machine operators)	8.2
Telephone operators and receptionists	6.1
Stock clerks and shipping clerks	1.4
Other clerical occupations	14.0
Sales occupations	0.2
Sales occupations	0.2
Semiskilled occupations	0.7
Semiskilled occupations	0.7
Unskilled occupations	0.2
Unskilled occupations	0.2
Service occupations	0.7
Service occupations	0.7

[a] Total occupations exclude those establishments that did not use temporary staff agencies and employers not providing information. The number of occupations exceeds the number of employers reporting as more than one occupation was reported by some.

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Table 4 - 9

Activities Subcontracted by Survey Establishments by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Activities subcontracted	All industries	Major industry group: Mining & construction	Manufacturing	Durable goods	Non-durable goods	Transportation	Wholesale trade	Retail trade	Finance insur. & real estate	Services	Government
All subcontracted activities[a]											
Number	339	37	125	63	62	31	12	33	17	31	53
Per cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Operations related to principal product or service	27.4	21.6	40.8	49.2	32.3	29.0	25.0*	24.1	11.8	19.4	11.3
Activities of a custodial nature	27.1	5.4	25.6	15.9	35.5	42.0	50.0*	27.3	47.0	38.6	18.9
Construction activities in which establishment does not customarily engage	18.6	62.2	12.0	9.5	14.5	3.2	--	6.1	5.9	6.5	35.8
Activities other than of a custodial or protective nature not related to establishment's principal product or service	18.0	--	15.2	15.9	14.5	12.9	25.0*	27.3	23.5	22.6	28.3

Table 4 - 9 continued.

Activities subcontracted	All industries	Mining & construction	Manufacturing	Durable goods	Non-durable goods	Transportation	Wholesale trade	Retail trade	Finance insur. & real estate	Services	Government
Activities of a protective nature	4.4	2.7	4.8	6.3	3.2	12.9	--	--	--	9.7	1.9
Concession operation	2.1	--	--	--	--	--	--	15.2	11.8	--	--
Construction activities where volume exceeds establishment's capacity to handle	1.2	8.1	--	--	--	--	--	--	--	--	1.9
Other subcontracted activities	1.2	--	1.6	3.2	--	--	--	--	--	3.2	1.9

*Percentages based on fewer than 15 cases.

[a]Subcontracted activities exclude establishments that did not subcontract and employers not providing information. The number of activities exceeds the number of employers reporting as two or more activities were sometimes reported by individual reporters.

Table 4 - 10

Reasons Given by Survey Establishments for Subcontracting or not Subcontracting -- Bay Area Employer Policy Survey, 1967

Reasons	
All reasons[a]	
Number	368
Per cent	100.0
Reasons for subcontracting	75.0
Does not have the facilities and/or staff for the kinds and/or volume of activities involved	28.3
More economical	21.2
Greater efficiency and/or convenience	10.3
Does not wish to engage in the activities which are subcontracted, contracted or granted by concession	4.9
Customary, or establishment's policy to subcontract, contract, or grant concessions for certain activities	3.5
Prevents sharp fluctuations in employment	2.4
Avoids jurisdictional labor problems	1.6
Obviates necessity to provide supervision for the work which is subcontracted, contracted or granted by concession	1.4
Does not possess the necessary licenses to perform such activities	1.1
Other reasons for subcontracting	0.3
Reasons for not subcontracting	25.0
No need	17.9
Not customary, or not the establishment's policy to subcontract, contract, or grant concessions	2.4
Does not fit into the establishment's mode of operations	2.2
Not economical	1.4
Union restricts or prohibits subcontracting, contracting, or the granting of concessions	1.1

[a]Reasons for subcontracting or not subcontracting exclude those establishments not reporting this information. The total exceeds the number reporting as more than one reason was given by some employers.

capacity to assume responsibility for their operation. Yet other answers related to undertakings whose magnitude exceeded the capabilities of the firm's staff of force-account construction workers or to concessions granted for special-type sales outlets within department stores.

In the main, however, "no need" was the principal reason for not subcontracting even as having the need to do so -- through lack of facilities or staff -- was the main reason for the practice.

Employers were also asked about the extent of influence or control exercised by the relevant unions in connection with the establishment's practices respecting contracted activities. Except in construction, only a minority responded that unions through collective bargaining or by other means exerted such influence or control. The data, of course, relate only to the establishments covered by collective bargaining contracts.

Table 4 - 11

Extent of Influence or Control Exercised by Unions in Subcontracted Activities of Survey Establishments by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Influence or control	All industries	Major industry group							
		Mining and Construction	Manufacturing	Durable goods	Non-durable goods	Transportation	Retail trade	Services	All other industries
All establishments[a]									
Number	218	25	101	46	55	26	26	20	20
Per cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Unions influence or control subcontracted activities	30.3	64.0	30.7	30.4	30.9	23.1	38.5	5.0	10.0
Unions do not influence or control subcontracted activities	69.7	36.0	69.3	69.6	69.1	76.9	61.5	95.0	90.0

[a]Total establishments exclude those with no unions and those not providing information on union influence. The number of establishments corresponds directly with the number of employers reporting.

V. Labor Turnover

Nature of the data. Maintaining records of employee accessions and separations on a detailed, systematic, and comparable basis is something less than an all-pervading habit in the Bay Area as in other localities. The survey employers, in general, expressed firm opinions as to the incidence of employee separations by occupational group and worker characteristics and, as a rule, possessed some records to back up such judgments respecting their own establishments. But these records, for the most part, were neither maintained in such form nor distributed in such categories as to yield data that could be compared with the experience of other organizations.

Respondents from the large manufacturing establishments included in the national labor turnover reporting program (under which the Bureau of Labor Statistics publishes accessions and separations rates in manufacturing for the nation and for a few large areas, not including the Bay Area) were sometimes prepared to discuss the subject in detailed, quantitative terms. The same was not true of most employers in other industries. This limitation, it should be noted again, did not preclude employers from advancing many firmly expressed opinions based on general observation, and these will be later described.

To assist in evaluating our data, it should be pointed out that some respondents during the survey period were speaking against a backdrop of experience in which voluntary separations were rising somewhat above the rate they recalled in the recent past, while other employers were not. A continuing level of high economic activity affecting some industries and some occupations to a greater degree than others unquestionably influenced some employers to view the seriousness of voluntary quits in quite a different light than did others. How much or how little the difficulty of recruiting replacements in the occupations affected by rising separations had increased in the recent past also influenced the perspective from which replies were advanced. However, even though turnover in the period our data were gathered was regarded as more "normal" by some employers than by others (as would be true in any period) our data when viewed in the aggregate appear primarily to reflect those relative differences between different industries, occupations, and types of workers that would persist through almost any period other than one of extreme crisis.

As one example, some significant employers of all-around machinists may have given replies in mid-1967 that were sufficiently affected by current conditions to change the respective ranking of their answers to various questions, as of that time from the rank order they would have followed earlier or later. However, there is much to suggest that now, when all employer responses can be viewed in the aggregate, the relative positions of various occupations and industries in the complex situation that is labor turnover do emerge in much the same pattern that would prevail in most times and most places. In 1967, our respondents commented, they continued to find the young typist, the peripatetic draftsman, the entrant engineer, the professional nurse, and the worker with only minimal attachment to the labor force relatively more "turnover prone" than most other types of workers, which was no more than the usual situation. Also, in 1967, as in the longer term, layoffs continued to comprise a heavier proportion of all separations in most construction and in many manufacturing and service establishments than in other firms, despite the occasional employer whose circumstance may have varied from the customary at that particular time.

As implied above, we could not frame questions relating to types of separations in terms of rates, and we soon learned that any quantitative approach to the subject of accessions within the context of labor turnover was not possible in the usual interview situation. Thus, our first question concerning turnover was broad and simple, indeed. We asked, merely, which was the more important type of separation, by occupation, occurring in the establishment. We had meant to ascertain no more than the primacy of quits or layoffs, the one as against the other.

Replies were of such nature, however, that two additional categories were added as will be noted in two of the following tables (Tables 5-1 and 5-8). Some employers considered both quits and layoffs as so unimportant in certain occupations that they dismissed both as having any significance. To the extent that these respondents viewed their situation correctly, we would have to interpret the reply, "few if any quits or layoffs," as signifying that the federal reporting classification known as "Other separations" (comprised of deaths and retirements for the most part) was responsible for a larger loss of personnel than either voluntary separations or layoffs. While this interpretation would probably prove incorrect in most cases were actual figures available, a few employers did have records to show that such had been true in certain occupational groups for at least the year or two preceding the interview. Also, it is quite safe to assume that where this reply, "few if any quits or layoffs," was given, records would at least have shown voluntary quits to be very low and layoffs virtually nonexistent.

Another species of replies that had to be accommodated in order to categorize the responses received was to the effect that number of quits and number of layoffs were "approximately equal." From observation, we would conclude that both quit and layoff rates were in the moderate range where this answer was given.

To recapitulate, we are therefore presenting data (and these are the data shown in Tables 5-1 and 5-8 below) that reflect the respondent's characterization, by occupation, of the separations occurring in his establishment as primarily comprised of voluntary quits; primarily comprised of layoffs; situations where both quits and layoffs are so infrequent that presumably "Other separations" assume major significance; or situations where quits and layoffs are about equal in their incidence and rates for both, most likely are moderate.

Employer descriptions of separations. Respondents providing characterizations of separations in their establishments (Table 5-1) overwhelmingly described voluntary quits as accounting for the highest proportion of separations in all occupational groups. This suggests that, if turnover rates by occupation were available for these establishments in the aggregate, voluntary quit rates would be higher than layoff rates in every occupational group irrespective of how greatly the total separations rate might vary among the groups. The relative amounts, however, by which voluntary separation rates outdistanced layoff rates, or the importance of "Other separation" rates, for that matter, would vary appreciably by occupation.

As indicated by our data, the variations that could be expected between the rates for these three types of separations, at least in large establishments, are not unexpected. Voluntary quit rates would exceed layoff rates most significantly in the professional and technical, managerial, and clerical occupations

Table 5 - 1

Characterizations of Types of Separations Occurring in Survey Establishments by Major Occupational Group -- Bay Area Employer Policy Survey, 1967

Types of separations	All occupations	Major occupational group							
		Professional and technical	Managerial	Clerical	Sales	Skilled	Semi-skilled	Un-skilled	Services
All establishments[a] (or all occupational groups)									
Number	1,977	259	299	306	179	247	238	246	223
Per cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Primarily quits	70.6	75.3	69.9	86.6	77.0	69.2	57.9	52.4	74.4
Primarily layoffs	12.5	1.5	0.3	1.3	4.5	13.8	32.8	37.0	13.3
Few if any quits or layoffs	15.9	23.2	29.8	12.1	17.9	16.2	7.6	6.1	11.3
Number of quits and layoffs approximately equal	1.0				0.6	0.8	1.7	4.5	1.0

[a]Characterizations of types of separations under each occupational group exclude establishments not employing workers in the occupation and those not providing information.

(or, conversely, the lowest layoff rates would be found in these groups). Rates for "Other separations" implying primarily deaths and retirments, however, would be proportionately larger components of all separations for managerial and professional workers than for those in clerical occupations.

Salesworkers, according to our data, would show relatively higher layoff rates than workers in the foregoing occupations and fewer of their number would leave employment by way of "Other separations" than professional or managerial workers, though more would go that route than clerical workers.

Were it feasible to construct separations rates for the establishments covered in our survey showing the relative importance of different kinds of separations among workers in the industrial-type occupations, our data indicate that these rates would conform closely to commonly held opinion on the matter. The importance of quits relative to other types of separations would diminish from skilled to semiskilled to unskilled occupations, and layoff rates would assume increasing importance as the jobs in question became less skilled. "Other separations" would be more significant at higher skill levels than at lower.

The data for service occupations in Table 5-1 as in other tables must be interpreted with care because of the wide variety of occupations included. Depending on the specific activity of the respondent, the occupations blanketed in this category, as examples, could be policemen, firemen, and various other protective workers; building maintenance workers; or workers in health, hotel, and restaurant occupations. The fact that many of the specific occupations included fell within groups always, or frequently, covered by civil service regulations may explain the relative importance of the entry "few if any quits or layoffs" for the service occupational group as compared with semiskilled and unskilled workers. The heavy representation of workers in health services in this occupation may serve to increase the relative importance of quits as against layoffs despite the presence in this group, as well, of workers from hotels and restaurants who are comparatively subject to layoffs.

Voluntary quits. Our dependence on nonquantitative responses plagued our efforts to obtain data concerning the relative volume of voluntary quits among different occupations as much as it complicated our attempts to ascertain the relative importance of different types of separations by occupation. It would appear from the data, however, that our second line of inquiry resulted, like the first, in answers which accord with commonly held opinion.

Employers were asked, "If voluntary quits among certain groups are above the average voluntary quit rate for your establishment, what are these groups and what do you believe are the reasons for their high rate?"

It is more than likely that the terms, "above average" or "below average," should not be accepted too literally in interpreting the answers to this question. Very significant employers of clerical workers, for example, frequently characterized clerical worker quit rates as "far above average" when their average turnover rate must have been almost exclusively a product of that same clerical quit rate. Hence it would be safest to regard those occupational groups reported as having above average quit rates as job areas in which the high incidence of voluntary quits constituted a particular problem whatever the weight that occupation would have had, by reason of its numbers, in influencing the establishment's overall quit rate.

Construed in this manner, our data show that of the 231 respondents reporting "higher than average" voluntary quits for their establishments in one or more major occupational groups, by far the largest proportion of all replies singled out clerical employees as chief offenders in this respect (Table 5-2). Responses indicating that clerical workers have "higher than average" voluntary quits were followed at some distance by answers regarding professional and technical workers and also unskilled workers as particularly prone to voluntary quits. Smaller proportions of responses, in turn, pointed up semiskilled, sales, service, or skilled workers as having "above average" quit rates in the concerned establishments.

Differences among various industries as to which occupational groups are most prone to quit their jobs voluntarily differed markedly -- in part because layoffs form a larger component of all separations in some industries than in others. As an example, construction employers found voluntary quits a problem only among professional and technical and among clerical workers, with comparatively high rates far more of a problem among the latter than the former. Manufacturing employers were most likely to complain of "above average" quits among clerical and unskilled workers, while transportation companies were most sorely tried by high quits on the part of clerical and semiskilled workers (with the latter often represented by truck drivers).

Wholesale trade employers (and several establishments among the survey group market goods and services of a highly technical character) most often regarded professional and technical workers as having, relatively, the highest quits, followed by clerical workers. Respondents from retail trade, on the other hand, gave first place to clerical workers and followed this group closely with sales personnel.

The accusing finger was pointed at clerical workers by virtually all interviewees representing finance, insurance, and real estate. Services employers divided the onus more evenly between professional and technical and clerical workers. Probably because of the high quit rates of professional nurses, services employers, alone with those in wholesale trade, most often mentioned professional and technical workers as constituting their gravest quits problem.[1]

Respondents who pointed to specific occupational groups as presenting more than the usual problems because of their high voluntary quit rates were asked "what do you believe are the reasons for their high rates?" These reasons constitute, in the aggregate, what the survey employers thought to be the causes of "higher than average quits," occupation-by-occupation in their establishments (Table 5-3). Also, the responses, given as free answers, fall readily into categories relating to worker characteristics and attitudes, or to the job and work environment.

Respondents related the majority of all reasons given (and the majority of reasons supplied for each occupational group to various worker characteristics or attitudes. Conversely, they assigned smaller weights at all occupational levels to working conditions and to factors relating to the location of the establishment or to the transportation facilities utilized in reaching that location. Again excepting that mixture of heterogeneous jobs included in the service group, respondents gave relatively more weight to undesirable working conditions as a

Table 5 - 2

Major Occupational Groups Having "Higher Than Average Voluntary Quit Rates" in Survey Establishments, by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Major occupational group	All industries	Major industry group: Mining and construction	Durable goods	Non-durable goods	Transportation and utilities	Wholesale trade	Retail trade	Finance ins. real est.	Services	Government
All establishments[a]										
Number	231	12	44	46	19	9*	25	24	28	24
Per cent	100.0	100.0	100.0	100.0	100.0		100.0	100.0	100.0	100.0
Professional and technical	13.4	16.7*	9.1	6.5	5.2				42.9	37.5
Clerical	47.5	83.3*	34.1	39.1	47.5		40.0	95.8	32.1	41.6
Sales	6.5			6.5	5.2		36.0			
Skilled	4.8		15.9	6.5						
Semiskilled	8.7		18.2	10.9	21.1				10.7	
Unskilled	12.6		22.7	28.3	15.8		8.0			4.2
Service	6.5			2.2	5.2		16.0	4.2	14.3	16.7

*Percentages based on fewer than 15 cases, or not computed because of the small number of cases.

[a]Total occupational groups exclude employers that did not report occupational groups with higher than average voluntary quit rates and employers that did not provide information.

Table 5 - 3

Reasons for "Higher Than Average Quit Rates" in Survey Establishments by Major Occupational Group -- Bay Area Employer Policy Survey, 1967

Reasons	All occupations	Major occupational group: Professional and technical	Clerical	Sales	Skilled	Semi-skilled	Un-skilled	Services
All establishments[a]								
Number	344	53	142	19	20	31	54	25
Per cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Reason relating to kind of worker or attitude of worker	79.7	96.2	88.8	78.9	75.0	58.0	55.0	76.0
Domestic or personal considerations	29.7	17.0	62.1	15.8		16.1		
Desire for higher rate of pay or higher paying kind of job	13.7	17.0	7.0		40.0	9.7	18.5	28.0
Desire for better and/or other job	12.2		12.0	26.3			7.4	
Inveterate job changes	8.4	9.4				12.9	14.8	16.0
Abundance of alternative job opportunities for workers in a shortage occupation	6.1	28.3						
Desire to capitalize on training given by current employer - by changing employers	4.4		2.1		20.0			
Desire to return to school	2.0		2.8					

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/Table continued/

Table 5 - 3 continued

Reasons	All occupations	Major occupational group						
		Professional and technical	Clerical	Sales	Skilled	Semi-skilled	Un-skilled	Services
Desire for more prestigious job	1.2	7.5						
Intermittent attachment to the labor force	1.2						5.6	
Other reasons relating to need or attitude of the worker	0.8	17.0	2.8	36.8	15.0	19.3	9.3	32.0
Reasons relating to working conditions	16.3	1.9	6.3	15.8	20.0	32.3	44.4	20.0
Kind of work is disagreeable, difficult or dangerous	7.9					9.7	11.1	
Kind of work is routine in nature	2.6		2.8					
Lack of job security	2.6						12.9	
Undesirable shifts or hours of work	2.0					12.9	9.3	
Other reasons relating to working conditions	1.2	1.9	3.5	15.8	20.0	9.7	11.1	20.0
Reasons relating to environmental and transportation difficulties	3.5	1.9	4.2	5.3	5.0	6.5		4.0
Lack of centrality in relation to this community or to shopping centers	1.5		3.5					

/Table continued/

Table 5 - 3 continued

Reasons	All occupations	Major occupational group						
		Professional and technical	Clerical	Sales	Skilled	Semi-skilled	Un-skilled	Services
Other reasons relating to environmental and transporation difficulties	2.0	1.9	0.7	5.3	5.0	6.5		4.0
Other reasons	0.5		0.7			3.2		

[a]The total excludes employers not experiencing "above average quits" and employers not providing information. In all groups the total exceeds the number reporting as some employers gave more than one reason.

cause of quits as they moved down the occupational ladder, whereas they assigned much more weight to worker characteristics in the higher level occupations.

Accounting in large measure for the emphasis on worker characteristics and attitudes at one end of the scale was the relative importance given by the respondents to the professional worker's mobility because of the many alternative job possibilities open to him, and to the clerical worker's often tenuous tie to the labor force. At the level of unskilled laborer, the greater emphasis placed by employers on such factors as lack of job security and undesirable hours brought the weight of adverse working conditions as a reason for high quits more into balance with the importance of worker characteristics than was believed to be the case at higher occupational levels (Table 5-3).

Reducing voluntary quits. Respondents were asked how they would rank certain factors in terms of their effectiveness in reducing voluntary quits. There can be some doubt that all employers construed the question as intended, namely what was the order of importance of those factors actually operating to hold down quits in their own establishments. A very few firmly insisted on registering a vote for the factor they believed would work wonders in this respect if it were operative. There can be no doubt, however, that each respondent carefully assessed the respective priorities of the various factors that we listed (and others that he volunteered) to select in rank order the one or more he believed most effective (Tables 5-4 to 5-6).

Even less question can exist concerning the factor the respondents believed to be the most effective in preventing quits. If they did not mention job security as of first importance, so many ranked it in second or third place that this factor was the most frequently selected in all three choices.

Respondents, in the aggregate, gave higher than prevailing wage rates and fringe benefits the next highest number of votes as the first most important turnover preventative. Third place in this primary choice went to the accumulation of seniority; fourth to promotion from within; and fifth to good or above average working conditions.

By industry, a higher proportion of employers in government than in any other major industry group regarded job security of first importance. Employers from manufacturing, wholesale trade, and services also accorded first place to this factor, though not by as wide a margin. In construction, a quarter of all employers thought seniority of greatest importance while another quarter mentioned higher than prevailing wage rates, thus registering a tie vote as to the top importance of the two factors. The largest proportion of transportation employers chose the accumulation of seniority as the most effective factor in reducing quits while those in wholesale trade gave greatest relative weight to high wage rates, and retail employers selected the encouragement of promotion from within as did employers from finance.

When it came to the second most effective factor in reducing quits, higher than prevailing wage rates and fringe benefits no longer followed immediately after job security. The encouragement of promotion from within was now in second position. Indeed, this factor was given greater than average weight by employers in construction, nondurable goods manufacturing, transportation, wholesale trade, and the finance complex of industries.

Table 5 - 4

Most Important Factor as to Effectiveness in Reducing Voluntary Quits in Survey Establishments by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Most important factor	All industries	Major industry group								
		Mining and construction	Durable goods	Non-durable goods	Transportation and utilities	Wholesale trade	Retail trade	Finance ins. real est.	Services	Government
All establishments[a]										
Number	277	16	55	56	25	9*	31	24	33	28
Per cent	100.0	100.0	100.0	100.0	100.0		100.0	100.0	100.0	100.0
Job security	27.8	6.2	29.2	34.0	20.0		12.9	16.7	24.2	60.6
Higher than prevailing wage rates and fringe benefits	19.9	25.0	21.8	19.6	16.0		19.4	16.7	18.2	17.9
Accumulation of seniority	19.1	25.0	23.6	23.2	40.0		9.7	16.7	12.1	3.6
Encouragement of promotion from within	13.4	12.5	10.9	7.1	20.0		22.5	29.0	6.1	10.7
Good or above average working conditions; establishment a good place to work	5.1	12.5	7.3	1.8			6.5	4.2	9.1	
Profit sharing plan; provisions of pension plan; good fringe benefits	3.2		1.8	7.1			3.2	4.2	6.1	
High paying work, availability of training, and good communications	2.9	6.3		3.6			3.2	8.3	6.1	

/Table continued/

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Table 5 - 4 continued

Most important factor	All industries	Major industry group								
		Mining and construction	Durable goods	Non-durable goods	Transportation and utilities	Wholesale trade	Retail trade	Finance ins. real est.	Services	Government
Job satisfaction and interest in the work	2.5		3.6		4.0				9.1	3.6
Proximity to residential areas	2.2		1.8				9.7		3.0	3.6
Loyalty to, or pride in establishment; prestige of establishment	1.8	6.2		1.8			6.5		3.0	
Improvement of physical facilities and other environmental factors	1.4			1.8			3.2	4.2	3.0	
Other factors	0.7	6.3					3.2			

*Percentages not computed because of the small number of cases.

[a]The total excludes employers not providing information.

Table 5 - 5

Second Most Important Factor as to Effectiveness in Reducing Voluntary Quits in Survey Establishments by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Second most important factor	All industries	Major industry group								
		Mining and construction	Durable goods	Non-durable goods	Transportation and utilities	Wholesale trade	Retail trade	Finance ins. real est.	Services	Government
All establishments[a]										
Number	259	13	49	53	24	9*	30	23	30	28
Per cent	100.0	100.0	100.0	100.0	100.0		100.0	100.0	100.0	100.0
Job security	22.3	38.4*	16.4	28.2	29.1		13.3	21.7	20.0	14.3
Encouragement of promotion from within	17.0	23.1*	16.4	15.1	16.7		23.5	26.3		17.8
Accumulation of seniority	16.6	7.7*	18.4	20.8	20.8		13.3	8.7	23.5	14.3
Higher than prevailing wage rates and fringe benefits	11.6	15.4*	10.2	9.4	12.5		13.3	13.0	10.0	14.3
Proximity to residential areas	9.7	7.7*	12.2	3.8	4.2		16.7	8.7	13.3	14.3
Profit sharing plan, good fringe benefits, and provisions of pension plan	9.3		6.1	7.5	8.3		13.3		16.7	17.9
Improvement of physical facilities	4.6		6.1	5.7	4.2		3.3	8.7	6.6	
Availability of training	3.9		6.1	3.8				4.3	3.3	7.1

/Table continued/

Table 5 - 5 continued

Second most important factor	All industries	Major industry group							
		Mining and construction	Durable goods	Non-durable goods	Transportation and utilities	Wholesale trade	Retail trade	Finance ins. real est.	Services	Government
High paying work, job satisfaction, and good or improved supervision	2.3	7.7*	2.0	1.9	4.2		3.3	4.3	3.3	
Good or above average working conditions; establishment a good place to work	1.5		2.0	3.8				4.3		
Other environmental factors	0.4								3.3	
Other factors	0.8		4.1							

*Percentages based on fewer than 15 cases, or not computed because of the small number of cases.

[a]The total excludes employers not providing information and employers supplying no second factor.

Table 5 - 6

Third Most Important Factor as to Effectiveness in Reducing Voluntary Quits in Survey Establishments by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Third most important factor	All industries	Major industry group								
		Mining and construction	Durable goods	Non-durable goods	Transportation and utilities	Wholesale trade	Retail trade	Finance ins. real est.	Services	Government
All establishments[a]										
Number	203	9*	42	40	18	7*	25	21	18	23
Per cent	100.0		100.0	100.0	100.0		100.0	100.0	100.0	100.0
Job security	18.7		23.8	20.0	5.6	--	32.0	9.5	16.7	4.3
Encouragement of promotion from within	14.8		9.5	20.0	27.8	--	16.0	14.3	11.1	13.0
Proximity to residential areas	14.3		21.4	12.5	5.6	--	25.0	9.5	16.7	4.3
Profit sharing plan, good fringe benefits, and provisions of pension plan	12.3	--	9.5	10.0	16.6	--	--	9.5	22.1	30.4
Accumulation of seniority	11.3		9.5	10.0	16.6	--	8.0	9.5	11.1	13.0
Higher than prevailing wage rates and fringe benefits	10.8	--	14.3	7.5	5.6	--	--	19.1	5.6	17.5
Availability of training	7.9	--	2.4	5.0	16.6	--	8.0	9.5	11.1	17.5
Improvement of physical facilities	4.9	--	4.8	7.5	--	--	8.0	9.5	5.6	
Good or above average working conditions; establishment a good place to work	2.5		2.4	5.0	--		8.0			

V-5-c(1).

[Table continued]

Table 5 - 6 continued

Third most important factor	All industries	Major industry group								
		Mining and construction	Durable goods	Non-durable goods	Transportation and utilities	Wholesale trade	Retail trade	Finance ins. real est.	Services	Government
Job satisfaction and interest in the work; good or improved supervision	1.5		2.4	2.5				4.8		
Other environmental factors	0.5				5.6					
Other factors	0.5							4.8		

*Percentages not computed because of the small number of cases.

[a]The total excludes employers not providing information and employers supplying no third factor.

As to the third most important factor in reducing quits, promotion from within remained in second place after job security, but a locational factor moved into the next position -- proximity to residential areas. A higher than average proportion of employers considered this factor of importance in construction, durable goods manufacturing, retail trade, and services.

When the respondents were asked if their establishments had any programs directed to reducing the number of voluntary quits, 151 answered affirmatively, describing 236 programs as in effect (Table 5-7).

The largest proportion of these programs consisted of conducting exit interviews. A positive employee relations program including an effort to make the establishment of "good place to work" was given next largest relative weight. Thereafter followed the mention of a number of programs all subscribed to with about equal relative frequency by the respondents. These included careful initial screening of employees, stress on promotion from within, a communications program, supervisory and management development programs, and wage and salary plans and benefit programs. These programs, however, by no means exhausted the list. A wide range of efforts from continuing counseling programs; saving, profit-sharing, and stock option programs to studying the causes of turnover; surveying employee attitudes; and remodeling the premises were all mentioned.

The 156 employers reporting that their establishments had no programs directed to reducing the number of voluntary quits were asked the reason or reasons for this lack (Table 5-8).

A very large majority of these employers answered that there was no reason for such programs in their establishments, because relatively few quits were then being experienced. About a fourth of the respondents (and they were usually from industries in which large numbers of clerical workers are employed) answered that programs combatting turnover would be irrelevant and useless for them, as most quits and separations in their establishments were for such domestic reasons as marriage, maternity, or a husband's job transfer. A small proportion of respondents reported they had been unable to discover any correlation between the remedial programs they had introduced to reduce quits and a subsequent reduction in their number. Hence, these programs had been discontinued and none were then in effect.

Pension plans and voluntary quits. Of considerable interest is the fact that so few establishments mentioned pension plans as a method of attempting to reduce voluntary quits, in view of the widely held impression that pension plans tend to be adopted, at least in part, to encourage employee loyalty to the firm. Certainly the explanation of the minimal importance assigned to pension plans as a means of reducing voluntary quits did not lie in any lack of prevalence of pension plans (Table 5-9). More than four-fifths of these establishments with 100 or more employees had pension plans covering white-collar employees, while nearly nine-tenths had plans covering blue-collar employees. In some cases, these plans covered all employees, but in a good many cases plans for white-collar and blue-collar employees were separate, and not all plans covered all blue-collar workers or all white-collar workers.

In nearly all major industry groups a very large proportion of the establishments in the sample had a pension plan covering blue-collar workers. Only

Table 5 - 7

Programs for Reducing Voluntary Quits
in Survey Establishments --
Bay Area Employer Policy Survey, 1967

All types of programs[a]	
Number	236
Per cent	100.0
Exit interviews conducted	14.3
Good employee relations; good personnel policies; establishment a good place to work; good or better than usual working conditions; maintains high morale	10.5
Careful initial screening of employees	5.1
Policy of promotion from within; promotional potential of jobs stressed	5.1
Communications program	4.7
Supervisory or management development training program	4.7
Training program -- kind unspecified	4.7
Wage and salary plans and/or benefit programs in effect	4.7
Continuing counseling program	3.8
Savings, profit-sharing, and/or stock-option programs	3.8
Prompt settlement of grievances; grievance procedure exists; "open-door" policy in handling complaints	3.4
Wages and/or fringe benefits higher than prevailing for similar work in the industry or area	3.4
Wages and/or fringe benefits competitive with industry or area rates and practices	3.0
Good supervisory practices	2.5
Training or orientation program for new employees	2.5
Causes of turnover studied	1.7
Continuing or frequent reviews of performance and/or rates of pay	1.7
Develops employee's sense of identification with the establishment and its goals	1.7
Health and welfare program	1.7
Provides job security, or attempts to improve job security	1.7
Employee attitude surveys undertaken	1.3
New or remodeled premises for the establishment	1.3
Pension program	1.3
Quit rate of employees reviewed regularly with unit supervisor	1.3
Other programs	10.1

[a] The total excludes employers having no programs and employers not providing information. The number of programs exceeds the number of employers reporting as some employers mentioned more than one program.

Table 5 - 8

Reasons for no Programs in Survey Establishments
to Reduce Voluntary Quits --
Bay Area Employer Policy Survey, 1967

All reasons[a]	
Number	153
Per cent	100.0
No need, as relatively few voluntary quits	71.9
Voluntary quits would continue in any event due to kind of worker or nature of reason for voluntary quit	24.2
No correlation found between any remedial program and the voluntary quit rate	2.6
Other reasons	1.3

[a] The total excludes employers having such programs and employers not providing information. The total exceeds the number of employers reporting as some employers supplied more than one reason.

Table 5 - 9

Per Cent of Establishments with Pension Plans Covering White-Collar Workers or Blue-Collar Workers, by Major Industry Group -- Bay Area Employer Policy Survey, 1967

(Some of these workers are covered by plans for all employees)

Major industry group	Total number	White-collar	Blue-collar	
			Union plans only	Total -- all plans
All establishments	309	81.6	54.4	89.6
Mining and construction	26	53.8	92.3	100.0
Manufacturing				
Durable	57	84.2	59.6	84.2
Nondurable	62	87.1	59.7	98.4
Transportation and utilities	27	85.2	66.7	88.9
Trade				
Wholesale	13	84.6	69.2	100.0
Retail	33	75.8	72.7	90.9
Finance, insurance and real estate	25	80.0	20.0	80.0
Services	36	75.0	47.2	69.4
Government	30	100.0	--	100.0

services stood out with an appreciably smaller proportion of establishments having such plans, while the proportion in finance, insurance, and real estate was also somewhat smaller than the average. These, also, were the two major industry groups which were least likely to have only a union plan for their blue-collar employees, and this, clearly, was related to the fact that establishments in these industry groups -- particularly in finance, insurance, and real estate -- were less likely to be covered by a collective bargaining agreement than most of the other groups, as will be indicated in the next section (Table 6-1).

In the case of white-collar workers, the construction group was least likely to have a plan. This was undoubtedly related to the fact that, except in the very large construction firms, there are relatively few white-collar workers.

These data suggest that there has been an appreciable increase in the prevalence of pension plans in the area since an earlier survey conducted by our Institute in 1960 was completed, although the two surveys are not precisely comparable, because the 1960 survey included only San Francisco and Alameda counties, so far as the northern part of the state was concerned, and was confined to private employers. However, there would appear to be no reason to assume that pension plan coverage in San Francisco and Alameda counties would be lower than the rest of our six-county area -- in fact, one would tend to assume the contrary. Moreover, the two surveys are comparable in covering firms with 100 or more employees. In any case the earlier survey showed that 22 per cent of the firms that responded had no pension plan, and, so far as major industry groups were concerned, it was particularly in the trade group that the proportion with no plan was considerably higher than our more recent data indicate.[2] This is consistent with data recently published by the California Department of Industrial Relations, which indicated that there was a pronounced increase in pension plan coverage in retail trade in the state between 1958 and 1966, but the data related to number of workers covered rather than to establishments, and were also confined to union workers.[3]

When asked whether their pension plans affected voluntary quit rates, 25 respondents were unwilling to venture an opinion. This reluctance stemmed primarily from their belief that workers with different characteristics or with varying lengths of service are differently influenced as to their job tenure by the provisions of a pension plan. One government employer, for example, and he did report his opinion, believed strongly that the pension plan in effect for his staff, which included many youthful clerical workers, actually increased their propensity to quit. The temptation to leave, he commented, and to convert their equities into ready cash became overwhelming, particularly in those cases in which accumulated contributions had reached a sizable amount. Another 174 employers completely discounted the effect of pension plans in reducing quits. Some of these, but only a small minority, were employers with no pension plans. Finally, there were 109 employers who believed that their establishments' pension plans did reduce quit rates in some measure, but these judgments were often qualified by comments that the beneficial effect was slight or that it varied greatly in accordance with the types of workers involved.

Actually, these findings are quite consistent with those of several studies of the impact of pension plans on labor mobility, which have tended to

indicate that, since it is younger workers who are highly mobile and retirement protection is as yet of little concern to such workers, pension plans have little effect on the quit rate. Moreover, other factors -- seniority, in particular -- have far greater impact on mobility than pensions.[4]

The more liberal the vesting and early retirement provisions of pension plans, of course, the less pensions are likely to serve as a barrier to mobility, although the age and service requirements that tend to be associated with vesting and early retirement provisions are such as to confine their benefits largely to workers who have reached an age when they are relatively unlikely to quit in any case. And one of the major trends in the pension field in the last ten years or so has been a pronounced liberalization of vesting and early retirement provisions.

Our findings tend to confirm the importance of this trend. When establishments with pension plans were asked whether they had adopted or liberalized vesting or early retirement provisions within the past five years, 40 per cent replied affirmatively (Table 5-10). Relatively more establishments in manufacturing, wholesale trade, construction, transportation, and government had taken such action than was true of the general average. When they were further questioned, however, as to whether the liberalization of vesting and early retirement provisions had been followed by rising quit rates, a good many interviewees failed to venture an opinion, while only one of the 97 who did respond to this question replied that he believed quits had risen following such liberalization.

Layoffs. Layoffs of white-collar workers can, on occasion, be numerous in the individual establishment. Changeovers and cancellations of defense contracts or such structural changes in the organization as mergers or acquisitions can trigger sizable contractions of professional and technical, clerical, and even managerial staffs. No recent incidents of this type, however, were reported by the respondents. Involuntary separations, therefore, will be considered in detail only in connection with the blue-collar and service occupations (Table 5-11).

It will be recalled that a large majority of respondents considered quits relatively more frequent in their establishments than layoffs (Table 5-1). This average distribution of the relative positions of the various situations that can characterize an establishment's separations is almost exactly the average distribution for all skilled workers. But as semiskilled and unskilled occupations are considered, the realtive importance of quits, "Other separations," and of an approximate equality between quits and layoffs diminishes while the relative frequency of instances in which layoffs predominate increases.

By major industry group, significant variations exist in the relative importance given to different types of separations by occupation. The general pattern, however, is one describing a greater primacy of quits at higher than at lower occupational levels, a pattern that would no doubt emerge as characteristic also of the service occupational group were it possible to consider these miscellaneous occupations at the level of specific jobs.

According to the survey establishments, government employers far more than private employers described their separations as primarily reflecting quits.

Table 5 - 10

Extent of Vesting or Early Retirement Provisions in Pension Plan of Employees Adopted or Liberalized in Survey Establishments, 1962-1967, by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Major industry group	Total		Vesting or early retirement provisions adopted or liberalized	Vesting or early retirement provisions not adopted or liberalized
	Number	Per cent		
All establishments[a]	258	100.0	40.3	59.7
Mining and construction	23	100.0	47.8	52.2
Durable goods	46	100.0	52.2	47.8
Nondurable goods	54	100.0	44.4	55.6
Transportation, communications, electric, gas and sanitary services	24	100.0	41.7	58.3
Wholesale trade	12	100.0	50.0	50.0
Retail trade	24	100.0	20.8	79.2
Finance, insurance and real estate	19	100.0	31.6	68.4
Services	28	100.0	21.4	78.6
Government	28	100.0	42.9	57.1

[a] The total excludes employers not having a pension plan for employees and employers that did not provide information.

Table 5 - 11

Characterizations of Types of Separations Occurring in Survey Establishments by Selected Major Occupational Groups and by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Types of separations for selected occupational groups	All industries	Major industry group: Mining and construction	Durable goods	Non-durable goods	Transportation and utilities	Wholesale trade	Retail trade	Finance ins. real est.	Services	Government
Skilled workers										
All establishments[a]										
Number	247	24	54	60	24	8*	21	4*	23	29
Per cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Primarily quits	69.2	8.3	72.2	61.7	79.1		85.7		87.0	96.6
Primarily layoffs	13.8	83.4	14.8	3.3	4.2		4.8			
Few if any quits or layoffs	16.2	8.3	11.1	33.3	16.7		9.5		13.0	3.4
Number of quits and layoffs approximately equal	0.8		1.9	1.7						
Semiskilled workers										
All establishments[a]										
Number	238	24	54	61	24	10	18	3*	18	26
Per cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Primarily quits	57.9	4.2	50.0	54.1	70.9	50.0**	77.7		72.2	57.9
Primarily layoffs	32.8	91.6	44.4	31.1	20.8	30.0*	16.7		11.1	32.8

/Table continued/

Table 5 - 11 continued

Types of separations for selected occupational groups	All industries	Major industry group: Mining and construction	Durable goods	Non-durable goods	Transportation and utilities	Wholesale trade	Retail trade	Finance ins. real est.	Services	Government
Few if any quits or layoffs	7.6	4.2	1.9	11.5	8.3	20.0*	5.6		16.7	7.6
Number of quits and layoffs approximately equal	1.7		3.7	3.3						1.7
Unskilled workers										
All establishments[a]										
Number	246	24	53	60	22	10	29	3*	19	26
Per cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Primarily quits	52.4	4.2	43.4	35.0	59.1	60.0*	72.5		79.0	
Primarily layoffs	37.0	91.6	50.9	46.7	18.2	30.0*	17.2		10.5	
Few if any quits or layoffs	6.1	4.2		8.3	18.2	10.0*	6.9		10.5	
Number of quits and layoffs approximately equal	4.5		5.7	10.0	4.5		3.4			
Service workers										
All establishments[a]										
Number	203	7*	47	38	13	6*	29	11*	27	25
Per cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

V-8-b(2)

/Table continued/

Table 5 - 11 continued

Types of separations for selected occupational groups	All industries	Major industry group								
		Mining and construction	Durable goods	Non-durable goods	Transportation and utilities	Wholesale trade	Retail trade	Finance ins. real est.	Services	Government
Primarily quits	74.4		61.7	60.6	92.3		86.2		88.9	92.0
Primarily layoffs	13.3		23.4	18.4			6.9		3.7	
Few if any quits or layoffs	11.3		12.8	18.4	7.7		6.9		7.4	8.0
Number of quits and layoffs approximately equal	1.0		2.1	2.6						

*Percentages based on fewer than 15 cases, or not computed because of small number of cases

[a]Characterizations of types of separations under each occupational group exclude establishments not employing workers in the occupation and employers not providing information.

In fact, the comparative security of blue-collar workers in their jobs (except for semiskilled workers where an atypical situation received undue weight) is very marked and especially so for unskilled laborers. Construction employers at the other end of the scale, reflected the greater than average incidence of layoffs in that industry. They followed, in their responses, also, the general pattern of the workers' greater vulnerability to involuntary separations at the semiskilled-unskilled level.

In durable goods manufacturing, quits were relatively of more than average importance for skilled workers, in large part because of worker shortages in the metal trades. But this same comparative security of blue-collar workers in relation to other industries did not extend to the lesser skilled where available workers are more numerous and alternative job opportunities, less frequent. Nondurable goods manufacturers as compared to employers in other industries offered their skilled and unskilled workers relatively less security against layoffs. Meanwhile, employers in the transportation group of industries reported for all skill levels in the blue-collar occupations a relatively smaller incidence of layoffs.

Retail trade employers ascribed greater relative importance to quits and less to layoffs in the blue-collar occupations than did employers in wholesale trade or employers on the average. The responses of retail trade employers, however, should be qualified with respect to their tendency to depart from the formal definition of layoffs. For the most part, these employers did not view the widespread contractions of their temporary help following the Christmas rush (or after other special events for that matter) as "layoffs" inasmuch as these seasonal workers had entered upon their short-term employment in the clear knowledge that its duration would be limited. This departure from the customary concepts of turnover reporting, however, should not affect the accuracy of responses for blue-collar workers as much as those for sales workers because blue-collar workers in this industry are frequently on the permanent staff.

Employers in the services group of industries reflected such varied activities that their replies cannot be readily interpreted at this level of generality. It can, however, be noted that the strong representation of medical services in this complex was reflected in the higher than average relative significance accorded to quits at all skill levels.

Reducing the need for layoffs. We asked the respondents if any actions were taken by their establishments to minimize the need for layoffs. Because layoffs were signficant in only a minority of establishments, and because such actions were not taken by some of those few employers reporting significant involuntary quits, only 145 replied affirmatively (Table 5-12).

Sufficient replies were received only from employers in construction and manufacturing to warrant tabular presentation of their answers by major industry group. Comments made during the interviews, however, shed considerable light on predominant practices by industry group.

Employers in construction referred in large majority to planning their activities as the best layoff preventive. They frequently commented on the economies of avoiding slack periods in the present labor market, in which

Table 5 - 12

Actions taken to Minimize the Need for Layoffs in Survey Establishments
by Major Industry Group --
Bay Area Employer Policy Survey, 1967

Actions to minimize layoffs	All industries	Major industry group								
		Mining and construction	Durable goods	Non-durable goods	Transportation	Wholesale trade	Retail trade	Finance ins. real est.	Services	Government
All establishments[a]										
Number	145	14	43	39	10	5*	11	2*	11	10
Per cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Planning establishment's activities to eliminate slack periods	59.9	71.4*	79.1	66.7	20.0*		45.6*		63.6*	
Reassignment of workers to other kinds of work	14.5	14.3*	11.6	5.1	30.0*		27.2*		18.2*	
Regular work force kept a minimal level necessary to maintain activities	13.0		4.7	15.4	20.0*		18.1*		9.1*	
Special efforts made to procure more business	2.1		2.3	5.1						
Vacations and/or additional days off scheduled	2.1				10.0*				9.1*	
Other	7.6	14.3	2.3	7.7	20.0*		9.7*			

*Percentages based on fewer than 15 cases, or not computed because of small number of observations.

[a]The total excludes employers taking no actions and employers that did not provide information.

engineering and technical staffs tend to become restive when the backlog of contracts appears unduly slender. Also, they noted that their most productive skilled craftsmen, once lost, might not be available to them when activities again increased. Consequently, it was common to find the computer called into service to assist in the complex scheduling necessary to utilize construction crews of different crafts and specialties most effectively as one job phased out and another became active. Several respondents from construction, in fact, deemed their planning ability in this respect as of paramount importance in successful bidding.

Durable goods manufacturers, like construction employers, gave greatest weight to the importance of planning and to reassigning staff to other kinds of work in slack periods. Nondurable goods manufacturers, with many of them greatly dependent on seasonal factors, assigned somewhat less importance to planning than did those in durable goods or the construction employers. Also, they ascribed rather more importance to holding their regular staffs at minimal levels in order to lessen the impact of such periods on their permanent work force.

Transportation employers presented a mixed picture as to actions taken to prevent turnover because of the varied activities and practices characterizing this major industry group. Employers in retail trade and services relied relatively most on planning to avoid slack periods although the reassignment of workers was also important. Government employers in greater proportion than in any other major industry group stressed holding the regular force at minimum levels as might be expected when the complicated "bumping" procedures in civil service layoffs are considered.

A somewhat larger number of employers provided information as to why they did <u>not</u> take actions to minimize or prevent layoffs than provided descriptions of their actions in this respect (data not shown). The principal reason for their lack of action was entirely consistent with the fact that most employers characterized separations in all major occupational groups as primarily the result of voluntary separations. Thus, more than 70 per cent of the employers who provided reasons for not taking positive action to minimize layoffs reported their layoffs were minimal or none at all. Employers from government were relatively most prone to give this reply, while proportionately the fewest respondents from construction could report their involuntary separations in this light. The latter employers, rather, reported that contractual fluctuations of work load provided the reason for their lack of programs undertaken to minimize layoffs. Fluctuations, also, but of a seasonal character, accounted for relatively numerous employers not taking such action in trade and in manufacturing.

<u>Practices relating to layoffs</u>. Those employers who gave some prominence to the significance of layoffs in their establishments were asked concerning the practices they followed when laying off workers (Tables 5-13 and 5-14).

More than 90 per cent of all respondents reported that layoffs were made immediately when staff reductions proved necessary (but the word "immediately" could and often did include a brief period of notice for the worker). Variations were small by major industry group in the relatively large weights given to immediate layoffs and the much smaller relative importance assigned efforts to delay layoffs until after reductions in the workweek had been made.

Table 5 - 13

Practices Relating to the Timing of Layoffs in Survey Establishments
by Type of Worker and by Major Industry Group --
Bay Area Employer Policy Survey, 1967

Practices relating to timing and type of worker	All industries	Major industry group							
		Mining and construction	Durable goods	Non-durable goods	Transportation and utilities	Wholesale trade	Retail trade	Services	Government
All establishments[a]									
Number	199	23	39	53	22	8	22	19	13
Per cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Layoffs are made immediately	92.0	100.0	89.7	86.8	95.5	87.5*	95.5	94.7	92.3*
All workers	18.1	4.3		5.7	45.5	25.0*	22.7	15.8	92.3*
Blue-collar or union workers	70.9	95.7	87.1	79.2	50.0	62.5	63.7	68.4	
Other groups of workers	3.0		2.6	1.9			9.1	10.5	
Layoffs are made after the work week has been reduced	5.5		10.3	9.4		12.5*	4.5		
All workers	0.5					12.5*			
Blue-collar or union workers	5.0		10.3	9.4			4.5		
Other practices	2.5			3.8	4.5			5.3	7.7*
Blue-collar or union workers	1.5			3.8	4.5				
Other groups of workers	1.0							5.3	7.7*

*Percentages based on fewer than 15 cases are not computed because of the small number of cases.

[a]The total excludes employers that had minimal or no layoffs and employers that did not provide information.

Table 5 - 14

Practices Relating to Type of Worker Affected by Layoffs in Survey Establishments by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Practices relating to type of worker	All industries	Major industry group: Mining and construction	Durable goods	Non-durable goods	Transportation and utilities	Wholesale trade	Retail trade	Finance ins. and real est.	Services	Government
All establishments[a]										
Number	223	26	48	56	24	9*	26	1*	18	15
Per cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Least skilled workers are laid off	14.4	26.9	22.9	12.5	4.2		15.3		11.2	
All workers	1.8				4.2		7.7		5.6	
Blue-collar or union workers	10.8	23.1	20.8	12.5			3.8			
Other groups of workers	1.8	3.8	2.1				3.8		5.6	
Workers at various skill levels are laid off as required	17.0	42.4	16.7	8.9	8.3		7.6		22.2	
All workers	1.8						3.8			20.0
Blue-collar or union workers	15.2	42.4	16.7	8.9	8.3		3.8		22.2	
Lowest seniority workers are laid off	61.0	11.5	60.4	69.6	83.3		77.1		61.0	60.0
All workers	12.6		2.1	5.4	41.6		15.4			53.3
Blue-collar or union workers	46.6	11.5	58.3	64.2	37.5		57.9		55.4	
Other groups of workers	1.8				4.2		3.8		5.6	6.7

/Table continued/

Table 5 - 14 continued

Practices relating to type of worker	All industries	Major industry group								
		Mining and construc- tion	Durable goods	Non- durable goods	Trans- porta- tion and utilities	Whole- sale trade	Retail trade	Finance ins. and real est.	Ser- vices	Gov- ern- ment
Workers are laid off on a rotational basis	3.6	15.4		5.4	4.2					
Blue-collar or union workers	3.6	15.4		5.4	4.2					
Workers at various skill levels are laid off on basis of ability	0.9			3.6						
Other groups of workers	0.9			3.6						
Other practices	3.1	3.8						-	--	.
All workers	3.1	3.8				11.1		100.0	5.6	20.0

*Percentages not completed because of small number of cases.

[a]The total excludes employers that had minimal or no layoffs and employers that did not provide information.

Our data indicate that layoffs come most promptly in construction, transportation, and retail trade. Relatively greater efforts appear to be made in wholesale trade and in manufacturing than in other major industry groups to adjust working hours before separating employees for lack of work. Layoffs, too, are consistently more likely to occur immediately for blue-collar workers than for all workers, indicating primarily the differences in procedures affecting production and salaried workers.

As to which types of workers are most likely to be affected when layoffs occur, the respondents in total indicated the low seniority worker most likely to be paid off, particularly among blue-collar workers, because of the importance of seniority provisions to the latter. Next most important practice, relatively, was laying off workers at various skill levels as required and next most important, the practice of laying off the least skilled.

According to the responses received, seniority, as would be expected from the often short attachment of the worker to a specific employer, was least important in construction. On the other hand, seniority was most important in transportation. Government employers placed rather less relative emphasis on seniority than might have been anticipated, responding in a higher than average proportion that workers at various skill levels are laid off when necessary.

When asked if the order of layoff were determined by collective bargaining agreement, respondents replied heavily in the affirmative (Table 5-15). Aside from government where these agreements would rarely apply, construction employers replied relatively least frequently that the terms of their collective bargaining agreements determined the timing of layoffs or the workers affected. Although the practice of hiring workers in construction is more exclusively controlled by bargaining agreement than in any other major industry group, jobs tend to be short term in nature in many instances. Durable goods manufacturers reported relatively most often that collective bargaining agreements influenced or controlled their layoff procedures, and they were followed closely by employers in nondurable goods manufacturing and by those in transportation and retail trade.

Table 5 - 15

Extent of Influence or Control by Collective Bargaining Agreement in the Determination of Timing and Workers Affected by Layoffs in Survey Establishments by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Major industry group	Total		Determination by collective bargaining agreement	Determination not by collective bargaining agreement
	Number	Per cent		
All establishments[a]	198	100.0	87.4	12.6
Mining and construction	25	100.0	68.0	32.0
Manufacturing	98	100.0	96.9	3.1
Durable	44	100.0	97.7	2.3
Nondurable	54	100.0	96.3	3.7
Transportation and communication	22	100.0	95.5	4.5
Wholesale trade	9*	100.0	"	"
Retail trade	22	100.0	95.5	4.5
Services	16	100.0	75.0	25.0
Government	6*	100.0		

*Percentages based on fewer than 15 cases or not computed because of small number of cases.

[a]The total excludes employers that had minimal or no layoffs, that were not covered by collective bargaining agreements, and that did not provide information.

VI. Industrial Relations Structure and Personnel Departments

Collective bargaining coverage. The San Francisco Bay Area has long been one of the most strongly unionized metropolitan areas in the country. Historically, unions were able to gain strength largely as a result of the remoteness of the area. During periods of rapid expansion of the demand for labor, such as that which occurred in the early years of the present century, in-migration from other parts of the country and from abroad was stimulated, but increases in the influx of population tended to lag behind increases in demand, with the result that there was a tendency for labor shortages to develop.[1] Thus, it was particularly in such periods that unionism tended to gain strength.[2] Moreover, considerably earlier than in most other parts of the country, unions succeeded in organizing the unskilled and in penetrating the trade and service sectors of the economy.

More than three-quarters of the establishments included in our survey were covered by one or more collective bargaining agreements in 1967, and the proportions were above 90 per cent in mining and construction, nondurable goods manufacturing, transportation and utilities, and substantial sectors of durable goods manufacturing (Table 6-1). Only the government sector and finance, insurance, and real estate were relatively uncovered. And, related to the somewhat lower degree of coverage in Santa Clara and southern San Mateo counties, which was discussed in Section III, was the fact that coverage was considerably less frequent in the combined electrical and nonelectrical machinery group than in other sectors of manufacturing.

In nearly four-fifths of the covered establishments, 60 per cent or more of the employees were included in collective bargaining units, and in nearly a half the proportion of employees covered was 80 per cent or more (Table 6-2). Moreover, the proportion of establishments with 80 per cent or more of their employees covered was especially high in mining and construction and in transportation and utilities -- industry groups with relatively large proportions of blue-collar workers.

Although the smallest size group in our sample -- establishments with 100 to 249 employees -- were somewhat more likely to be covered by a collective bargaining agreement than larger establishments, variations in extent of coverage by size of firm followed no particular pattern among the larger size groups. The relationship between size of firm and extent of collective bargaining coverage may appear to be somewhat contrary to the generally held impression that small firms are less likely to be covered than large firms, but such a relationship might still be found to hold if firms with fewer than 100 employees were included in the universe of firms sampled. Variations in per cent of employees covered, moreover, followed no particular pattern by size of establishment.

It seems probable that variations in size of establishment by major industry group are largely responsible for differences in extent of coverage by size of establishment. It will be recalled that the two major industry groups with the least unionization -- government and finance, insurance, and real estate -- included relatively fewer establishments in the smallest size class than some of the more heavily unionized industry groups. This was particularly true of the government sector (Table 2-5).

Table 6 - 1

Per Cent of Establishments Covered by Collective Bargaining Agreements, by Major Industry Group and Selected Manufacturing Industries -- Bay Area Employer Policy Survey, 1967

Major industry group and selected manufacturing industries	Number	Per Cent covered
All establishments	309	76.4
Mining and construction	26	96.2
Manufacturing		
Durable	57	86.0
Primary and fabricated metals industries	22	95.5
Machinery, electrical and nonelectrical	19	63.2
Other durable	16	100.0
Nondurable	62	95.2
Food and kindred products	28	96.4
Other nondurable	34	94.1
Transportation and utilities	27	96.3
Trade		
Wholesale	13	84.6*
Retail	33	87.9
Finance, insurance, and real estate	25	24.0
Services	36	75.0
Government	30	13.3

*Percentages based on fewer than 15 cases.

Table 6 - 2

Per Cent of Establishment's Employment Covered by Collective Bargaining Agreement, for Covered Establishments, by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Major industry group	Total		Per cent covered				
	Number	Per cent	Less than 20	20 to 40	40 to 60	60 to 80	80 or more
All establishments covered[a]	229	100.0	3.5	7.0	10.9	29.3	49.3
Mining and construction	23	100.0	--	8.7	--	17.4	73.9
Manufacturing							
Durable	49	100.0	--	8.2	12.2	44.9	34.7
Nondurable	59	100.0	--	1.7	15.3	37.3	45.7
Transportation and utilities	26	100.0	--	3.8	7.7	26.9	61.6
Trade							
Wholesale	11	100.0	--	27.3*	27.3*	--	45.4*
Retail	25	100.0	--	4.0	8.0	36.0	52.0
Finance, insurance, and real estate	6	100.0	100.0*	--	--	--	--
Services	27	100.0	7.4	14.8	7.4	11.1	59.3
Government	3	100.0	--	--	33.3*	--	66.7*

*Percentages based on fewer than 15 cases.

[a]Total excludes establishments for which per cent covered was not available.

Table 6 - 3

Per Cent of Establishments Covered by Collective Bargaining Agreements and Per Cent of Employees Covered, by Number of Employees -- Bay Area Employer Policy Survey, 1967

Per cent covered	Total	Number of employees				
		Less than 250	250 to 499	500 to 999	1,000 to 1,999	2,000 or more
All establishments						
Number	309	130	73	50	28	28
Per cent covered	76.4	85.4	68.5	74.0	64.3	71.4
Number covered[a]	229	108	49	35	18	19
Per cent	100.0	100.0	100.0	100.0	100.0	100.0
Less than 20 per cent	3.5	2.8	--	5.7	16.7	--
20 to 40 per cent	7.0	4.6	8.2	11.4	--	15.8
40 to 60 per cent	10.9	10.2	8.2	17.1	5.6	15.8
60 to 80 per cent	29.3	35.2	20.4	20.0	38.9	26.3
80 per cent or more	49.3	47.2	63.2	45.8	38.8	42.1

[a]Total excludes 7 establishments for which information on per cent of employees covered was not available. Thus, 236 establishments were covered by collective bargaining agreements.

In about three-fourths of the establishments covered by collective bargaining agreements, union recognition had first been granted from 10 to 35 years ago, with nearly half of the covered establishments dating their first recognition of a union from 25 to 35 years ago, or sometime between the early New Deal years and the early years of World War II (Table 6-4). The proportion of establishments in retail trade which dated union recognition from this period was particularly large, while in this industry group establishments with an even longer history of unionism constituted an appreciably smaller proportion than in mining and construction, nondurable goods manufacturing, and transportation and utilities. And, not surprisingly, there was a tendency for recognition of a union to have occurred somewhat more recently in the service industries than in most other major industry groups.

Nearly half of the establishments with some union representation -- and this included a small number of establishments which had not formally recognized a union -- mentioned only one union that represented their employees (data not shown). However, sizable proportions of the establishments mentioned two or three unions representing groups of employees, nearly a fourth reported as many as five, and there were small numbers of establishments that mentioned as many as eight, nine, or ten unions. And, in all, 89 different unions were mentioned.

Since each interviewee was asked to indicate approximately how many members were represented in his establishment in each union mentioned, it was possible to develop an estimate of the total membership of each union represented in our sample, on the basis of which the rank order presented in Table 6-5 was determined. It should be emphasized that, because of the exclusion of establishments with fewer than 100 employees from our sample and because the sample deviates in minor respects from accurate representativeness in terms of industrial distribution and other characteristics, the rank order of unions developed from the survey is likely to differ somewhat from the actual rank order for the six-county area.

Although the unions do not appear in the same order, our list includes most of the 20 unions on the most recent list (for 1966) of leading unions in the state compiled by the California Department of Industrial Relations.[3]

There is little question that inclusion of firms with fewer than 100 employees would change the rank order of unions in our list and quite possibly its composition to some degree. This is suggested by the data in Table 6-6, in which unions are ranked on the basis of the percentage of all 309 establishments in which they were represented. On this basis the Teamsters outranked the Machinists by a considerable margin, while there was a tendency for the building trades unions, which are represented in large numbers of establishments, to rank somewhat higher than they did in the list which was compiled in terms of membership. On the other hand, neither the Steelworkers nor the Autoworkers, which ranked fairly high in terms of membership, came even close to "making" the list of the leading 15 in Table 6-6, since their members tend to be concentrated in relatively few establishments. Thus, it is likely that, if smaller establishments were included, unions that are represented in many firms would receive greater weight.

Representation of employees. Among the establishments not covered by a collective bargaining agreement, there were 11, or 15.1 per cent of the uncovered establishments, which indicated that a union or unions represented some of their employees, without formal recognition. These establishments were all in the

Table 6 - 4

Number of Years Since Union (or Unions) Was First Recognized as a Bargaining Agent, by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Major industry group	Total		Number of years					
	Number	Per cent	Less than 5	5 to 10	10 to 25	25 to 35	35 to 50	50 or more
All establishments[a]	222	100.0	4.5	5.4	28.8	46.4	8.6	6.3
Mining and construction	24	100.0	4.2	--	20.8	50.0	16.7	8.3
Manufacturing								
Durable	48	100.0	2.1	8.3	41.6	41.7	4.2	2.1
Nondurable	58	100.0	--	1.7	27.6	53.4	12.1	5.2
Transportation and utilities	25	100.0	8.0	8.0	16.0	36.0	8.0	24.0
Trade								
Wholesale	11	100.0	9.1*	--	36.3*	27.3*	9.1*	18.2*
Retail	26	100.0	--	7.7	19.2	69.3	3.8	--
Finance, insurance, and real estate	4	100.0	--	--	50.0*	50.0*	--	--
Services	23	100.0	13.0	8.7	34.8	34.8	8.7	--
Government	3	100.0	66.7*	33.3*	--	--	--	--

*Percentages based on fewer than 15 cases.

[a]Total excludes establishments not covered by a collective bargaining agreement and those not reporting number of years since union was first organized.

Table 6 - 5

Leading Unions Represented in Establishments, Ranked by Estimated Total Members Represented -- Bay Area Employer Policy Survey, 1967

Union[a]	Rank
International Association of Machinists and Aerospace Workers (AFL-CIO)	1
International Brotherhood of Teamsters, Chaufeurs, Warehousemen, and Helpers (Ind.)	2
United Federation of Postal Clerks (AFL-CIO)	3
Retail, Wholesale, and Department Store Union (AFL-CIO)	4
Retail Clerks International Association (AFL-CIO)	5
United Steel Workers of America (AFL-CIO)	6
Building Service Employees International Union (AFL-CIO)	7
International Brotherhood of Electrical Workers (AFL-CIO)	8
United Automobile, Aerospace, and Agricultural Implement Workers (Ind.)	9
United Brotherhood of Carpenters and Joiners (AFL-CIO)	10
International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers, and Helpers (AFL-CIO)	11
International Union of Hotel and Restaurant Employees and Bartenders (AFL-CIO)	12
Laborers' International Union (AFL-CIO)	13
Seafarers' International Union (AFL-CIO)	14
International Union of Operating Engineers (AFL-CIO)	15
International Longshoremen's and Warehousemen's Union (Ind.)	16
Oil, Chemical, and Atomic Energy Workers' International Union (AFL-CIO)	17
Amalgamated Meat Cutters and Butchers Workmen (AFL-CIO)	18
National Association of Letter Carriers (AFL-CIO)	19
California State Nurses' Association (Ind.)	20

[a]A few unions have been omitted from this list for reasons associated with the confidentiality of the interviews.

Table 6 - 6

Per Cent of the 309 Establishments in Which Leading Unions Represent Groups of Employees -- Bay Area Employer Policy Survey, 1967

Union	Per cent of all establishments in which union is represented
International Brotherhood of Teamsters, Chauffeurs, Warehousemen, and Helpers of America (Ind.)	40.8
International Association of Machinists and Aerospace Workers (AFL-CIO)	24.3
International Union of Operating Engineers (AFL-CIO)	19.4
United Brotherhood of Carpenters and Joiners of America (AFL-CIO)	12.9
Building Service Employees International Union (AFL-CIO)	11.0
International Brotherhood of Electrical Workers (AFL-CIO)	8.4
International Union of Hotel and Restaurant Employees and Bartenders (AFL-CIO)	7.4
Office and Professional Employees International Union (AFL-CIO)	7.4
Laborer's International Union of North America (AFL-CIO)	6.8
International Longshoremen's and Warehousemen's Union (Ind.)	5.5
International Printing Pressmen and Assistants Union of North America (AFL-CIO)	5.5
United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry of the United States and Canada (AFL-CIO)	5.2
Brotherhood of Painters, Decorators, and Paperhangers of America (AFL-CIO)	5.2
Retail, Wholesale, and Department Store Union (AFL-CIO)	4.5
Retail Clerks International Association	4.2

government sector, where it has become fairly common for unions such as the various locals of the State, County, and Municipal Employees to make recommendations to government agencies with respect to annual salary increases and other terms and conditions of employment. Among other unions which represented workers in these establishments was the American Federation of Teachers, the Building Service Employees Union, the Teamsters, the National Maritime Union, and the National Federation of Federal Employees.

We were also interested in determining to what extent employee associations other than unions might represent groups of employees in making wage or other demands in establishments that were not covered by collective bargaining agreements. In view of the growing importance of professional and other white-collar employment, we anticipated that such representation might have assumed considerable importance. However, only 14 establishments, or 19.2 per cent of the uncovered establishments, answered this question in the affirmative, and nearly all of these were in the government sector, with a few in educational services. The most frequently mentioned employee organization involved was the California State Employees Association, while other organizations mentioned in this context were local firemen's, policemen's, and teachers' associations, other associations of local government employees, and the California Teachers' Association.

Since this section is concerned only with the structure of industrial relations, and not with its substance, the impact of unions on various aspects of employer policies, such as wage policy, is discussed in other sections of the report.

Employer associations. Just as unions gained strength at a relatively early date in the Bay Area, so employer associations have long played an important role in labor relations in the Bay Area. Multi-employer bargaining developed at a relatively early date in response to union activity. As Kerr and Fisher have put it:

> The master agreement in San Francisco developed largely because union recognition had become an acknowledged necessity, and the organizational strength of the unions had surpassed that of the individual employers. The strategic position of the employers had deteriorated and the position of the unions improved. The organization of employers' associations was a rational act to prevent a further deterioration, and if possible achieve improvement in the bargaining position of employers.[4]

Although relevant recent data are not available, it is probably still true, as it was in the early 1950's, that multi-employer bargaining is more prevalent in California than it is in the country as a whole. According to William H. Smith, now Executive Vice President of the Federated Employers of the Bay Area, and formerly its Research Director:

> Marked variations existed in the extent of multiemployer bargaining practiced in various sections of the United States. Such bargaining predominates in California. In 1952, more than half of the 2,212 agreements on file with the California Department of Industrial Relations' Division of Labor Statistics and Research

were multi-employer contracts. Of more than 1,200,000 employees covered by these agreements, about two-thirds worked under multi-employer arrangements.

The U. S. Bureau of Labor Statistics made a similar study in 1953 of collective bargaining agreements involved 8,410,000 workers. This study, "Collective Bargaining Structures--Employer Bargaining Unit," showed that one-third of the workers covered were under contracts signed by groups of employers or associations.[5]

Among the establishments included in our survey, 57 per cent belonged to an employer association concerned with industrial relations activities (data not shown). Some of these, although a distinct minority, belonged to several employer associations, one or more of which was concerned with industrial relations. About 12 per cent of the establishments reported that they belonged only to one or more employer associations that were not concerned with industrial relations, while 31 per cent did not belong to any employer association.

There was a decided positive relationship between membership in an employer association and the percentage of an establishment's employment covered by a collective bargaining agreement (Table 6-7). The smaller the proportion of employees covered, the less likely the establishment was to belong. However, the data in Table 6-6 exclude establishments belonging to an employer association not concerned with collective bargaining. It seems likely that many of these, also, were establishments with relatively few or no employees covered by collective bargaining.

Among the many employer associations in the Bay Area, a few, such as the Federated Employers of the Bay Area and United Employers, Inc. (centered in Oakland) drew their membership quite widely from a number of industry groups, whereas most of the employer associations concerned with industrial relations represent employers in a particular industry. Thus, of the 65 employer associations mentioned by our respondents, 57 were confined to a particular industry, while the other 8 were more general. Some of these more general associations were confined to a particular part of the Bay Area, such as the Antioch-Pittsburg Industrial Relations Association and the Employers' Council of Santa Clara County.

It is probably because there are specialized employer associations in so many industries that the proportion of establishments belonging to any given employer association did not tend to be very large. Among the establishments in our sample, the largest number -- 12 per cent of the total -- belonged to the Federated Employers of the Bay Area (Table 6-8). Most of the other associations that were mentioned with relative frequency were confined to a particular industry group.

Because of the fact that a considerable number of establishments belonged to more than one employer association, it was difficult to obtain a complete picture of their relations with the associations of which they were members, but we did ask our interviewees to indicate what services or functions were performed by the first association mentioned in their replies -- presumably in most cases the one with which they felt most strongly identified.

Table 6 - 7

Whether Establishment Belongs to Employer Association Concerned With Industrial Relations, by Per Cent of Employees Covered By Collective Bargaining Agreement -- Bay Area Employer Policy Survey, 1967

Per cent of employees covered	Total		Belongs		
	Number	Per cent	To association concerned with industrial relations	To association concerned with industrial relations plus one or more others	Does not belong
All establishments[a]	210	100.0	54.3	18.6	27.1
Less than 40	20	100.0	35.0	20.0	45.0
40 to 60	23	100.0	52.2	17.4	30.4
60 to 80	59	100.0	47.5	25.4	27.1
80 or more	108	100.0	62.1	14.8	23.1

[a]Total excludes establishments not covered by a collective bargaining agreement, establishments belonging to an employer association not concerned with industrial relations, and a few establishments for which information on membership in an employer association was not available.

Table 6 - 8

Per Cent of the 309 Establishments Belonging to Leading Employer Associations -- Bay Area Employer Policy Survey, 1967

Association	Per cent belonging
Federated Employers of the Bay Area	12.0
California Metal Trades' Association	6.1
Associated General Contractors	5.5
California Trucking Association	3.2
United Employers, Inc.	2.6
California Processors and Growers	2.3
National Association of Manufacturers	2.3
Food Employers Labor Relations Association	1.9
Industrial Employers and Distributors' Association	1.6
San Francisco Retailers' Council	1.6
Pacific Maritime Association	1.6
Western Electronics Manufacturers' Association	1.3

Clearly, for most members, the negotiation of collective bargaining agreements was regarded as the most important function performed by the employer association, since about three-fourths of the relevant establishments mentioned this function first in responding to the question (Table 6-9). On the other hand, about 15 per cent indicated in their first response that the employer association provided information on wages or, in a few cases, on labor legislation. Most of these respondents were probably members of the Federated Employers, which does not negotiate collective bargaining agreements. Its functions are as follows:

1. To promote cordial and friendly employer-employee relations in the San Francisco Bay Area;

2. To cooperate with municipal, State, and Federal authorities and other public jurisdictions in matters relating to employer-employee relations;

3. To promote and facilitate meetings of employers in the San Francisco Bay Area and elsewhere for consultation and consideration of common problems in the field of labor relations;

4. To engage in research and to provide information to members relative to labor management problems and to exchange and disseminate such information;

5. To encourage San Francisco Bay Area employers to follow policies and practices which will stabilize labor conditions and rates of pay and promote good employee relations;

6. To encourage the organization of autonomous groups among employers where needed and to make available full counsel and aid in matters relating to labor relations.[6]

Some of the members of the Federated Employers also belong to the San Francisco Employers' Council, which does negotiate collective bargaining agreements. United Employers also negotiates bargaining agreements, and, in its most recent annual report, indicated that during the previous year it had participated in 113 negotiations covering a wide range of industries.[7] The employer associations that are organized on an industry basis, as suggested by our data and by other sources of information, negotiate collective bargaining agreements in most cases.

The second function mentioned by a substantial proportion of establishments was the negotiation of grievances. When all the responses were cumulated, the four leading functions of employer associations appeared to be as follows, in order of relative frequency with which they were mentioned: (a) the negotiation of collective bargaining agreements, (b) the negotiation of grievances, (c) conducting or organizing training programs, and (d) providing information on wages, etc. Also of some importance, but mentioned with less frequency, were the exercising of some discretion over the establishments' employment policy and limiting nonwage benefits offered to employees.

Not surprisingly, the establishments with less than 250 employees were

Table 6 - 9

Relations of Association to Establishment, for Establishments Belonging to Employer Associations -- Bay Area Employer Policy Survey, 1967

Relations of association[a]	First answer	Second answer	Third answer	Fourth answer	Fifth answer	Total
All establishments belonging to employer association[b]						
Number	161	161	161	161	161	161
Per cent	100.0	100.0	100.0	100.0	100.0	224.2[c]
Negotiates bargaining agreements	75.9	0.6	--	--	--	76.4
Negotiates grievances	--	58.4	--	--	--	58.4
Has some discretion over establishment's employment policy	1.8	0.6	11.2	--	--	13.7
May limit nonwage benefits establishment offers employees	--	1.9	5.6	6.2	--	13.7
Pays strike benefits	0.6	0.6	0.6	1.2	0.6	3.7
Conducts, coordinates, or otherwise participates in training programs	3.7	1.9	10.6	4.3	4.3	24.8
Provides information on wages, etc.	13.7	5.0	1.9			20.5
Provides information on labor legislation; lobbying activities	1.2	2.5	2.5			6.2
Other	3.1	1.2	1.2	0.6	0.6	6.8
No second or subsequent response		27.3	66.4	87.7	94.5	

[a]Answers relate only to the first association mentioned by respondents, if establishment belonged to more than one.

[b]Total excludes establishments not belonging to an employer association concerned with industrial relations and those for which information on relations of association to establishment was not available.

[c]Total exceeds 100 per cent, because many establishments gave more than one answer.

particularly likely to respond that the employer association to which they belonged negotiated their collective bargaining agreements (Table 6-10). These smaller establishments, as will be indicated at a later point in this section, were less likely to have personnel departments than the larger establishments and probably in most cases did not have industrial relations directors. Beyond this smallest size group, however, there was little variation by size of establishment in the proportion of responses indicating that the association negotiated bargaining agreements.

In the case of negotiation of grievances, however, there was a fairly consistent inverse relationship between size of establishment and the proportion of responses indicating that the association performed this function. Again, the relationship is scarcely surprising. Larger establishments are undoubtedly more likely to have an internal organizational structure for the negotiation of grievances. Moreover, bargaining strategy affecting the interests of an entire association is less likely to be involved in the negotiation of grievances.

With respect to the other functions of employer associations, there was little evidence of a consistent relationship between size of establishment and types of functions performed by the association. However, the data, though relating to responses rather than establishments, do suggest that the membership of the Federated Employers, which provides information, is more likely to be found among smaller and larger establishments than among the middle-sized establishments in our sample.

There were also some significant variations by major industry group in responses to this question (Table 6-11). For example, the responses of the establishments in wholesale and retail trade indicated an above-average proportion of cases in which associations negotiated collective bargaining agreements, whereas this function was relatively unlikely to be performed by the associations to which establishments belonged in largely unorganized finance, insurance, and real estate. In durable goods manufacturing, also, there appeared to be a less pronounced pattern of negotiation of collective bargaining agreements by associations. This may well be due to the possibility that headquarters establishments set wage rates for branch establishments in durable goods manufacturing to a greater extent than in other major industry groups -- data on the extent to which headquarters set wage rates are presented in Table 6-12, but not by major industry group. However, as we shall find in Section X, a number of durable goods manufacturing establishments are in industries in which uniform nationwide wage rates are established under collective bargaining agreements.

The data in Table 6-11 suggest that there is some tendency for the associations that negotiate agreements also to be involved in the negotiation of grievances, although the relationship is considerably closer in some major industry groups than in others. It will be recalled that most of the associations were confined to specific industries, and thus the functions they perform are more likely to be influenced by the characteristics and structure of the industry than by any other factor. Among the other functions that varied by major industry group, training functions were apparently more likely to be performed by associations in construction, durable goods manufacturing, and finance, insurance, and real estate than in other industry groups. In the case

Table 6 - 10

Relations of Association to Establishment, for Establishments Belonging to Employer Associations, by Number of Employees -- Bay Area Employer Policy Survey, 1967

Number of employees	Total		Negotiates agreements	Negotiates grievances	Affects employment policy	May limit non-wage benefits	Training program activities	Provides information	Other
	Number	Per cent							
All responses[a]	360	100.0	33.9	26.1	6.1	6.1	11.1	11.9	4.7
Less than 250	97	100.0	55.7	44.3	6.2	9.3	18.6	17.5	11.3
250 to 499	102	100.0	33.3	27.5	9.8	6.9	11.8	9.8	1.0
500 to 999	48	100.0	35.4	29.2	6.2	4.2	8.3	10.4	6.2
1,000 to 1,999	30	100.0	33.3	20.0	6.7	10.0	13.3	16.7	--
2,000 or more	22	100.0	31.8	13.6	4.5	4.5	9.1	27.3	9.1

[a]The data include all the responses of the 161 establishments represented in Table 6-9.

Table 6 - 11

Relations of Association to Establishment, for all Establishments Belonging to Employer Associations, by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Major industry group	Total		Negotiates agreements	Negotiates grievances	Affects employment policy	May limit non-wage benefits	Training program activities	Provides information	Other
	Number	Per cent							
All responses	360	100.0	33.9	26.1	6.1	6.1	11.1	11.9	4.7
Mining and construction	57	100.0	36.8	24.6	5.3	8.8	17.5	5.3	--
Manufacturing									
Durable	66	100.0	21.2	15.2	6.1	3.0	18.2	27.3	9.1
Nondurable	74	100.0	39.2	31.1	5.4	5.4	5.4	8.1	5.4
Transportation and utilities	35	100.0	37.1	28.6	2.9	8.6	14.3	8.6	--
Trade									
Wholesale	17	100.0	41.2	29.4	11.8	5.9	--	5.9	5.9
Retail	50	100.0	42.0	30.0	6.0	4.0	8.0	2.0	8.0
Finance, insurance, and real estate	15	100.0	13.3	13.3	6.7	--	20.0	46.7	--
Services	46	100.0	32.6	30.4	8.7	10.9	4.3	8.7	4.3
Government	0	100.0	--	--	--	--	--	--	--

[a]The data include all the responses of the 161 establishments represented in Table 6-9.

Table 6 - 12

Types of Industrial Relations Services Provided by Headquarters, for Branches or Subsidiaries Receiving Such Services -- Bay Area Employer Policy Survey, 1967

Types of services	First answer	Second answer	Third answer	Fourth answer	Fifth answer	Total
All branches or subsidiaries receiving services[a]						
Number	92	92	92	92	92	92
Per cent	100.0	100.0	100.0	100.0	100.0	294.5[b]
Negotiates bargaining agreements	51.1	--	--	--	--	51.1
Interprets agreements	7.6	41.3	--	--	--	48.9
Sets wage rates	12.0	3.3	23.9	--	--	39.1
Sets hiring standards	5.4	6.5	5.4	18.5	--	35.9
Prescribes fringe benefits, including pensions	4.3	13.0	10.9	5.4	7.6	41.3
Controls or determines local work practices	2.2	--	2.2	3.3	2.2	9.8
Determines seniority districts	--	--	--	1.1	--	1.1
Participates in grievance procedures	1.1	6.5	6.5	10.9	15.2	40.2
Provides advisory and consultative services	8.7	2.2	2.2	1.1	--	14.1
Other	7.6	2.2	2.2	1.1	--	13.0
No second or subsequent answer		25.0	46.7	58.6	75.0	

[a]Total excludes establishments not providing information on whether headquarters furnished industrial relations services.

[b]Total exceeds 100 per cent, because many establishments gave more than one answer.

of construction and durable goods manufacturing, this probably reflects in large part the representation of employer associations on joint apprenticeship boards, since, as will be indicated in Section XI, apprenticeship programs in the building trades and metal trades predominate in the apprenticeship field, as is true throughout the country. The involvement of employer associations in finance, insurance, and real estate in training activities undoubtedly reflects the needs of the three industries in this group for quite specialized types of training.

Finally, the data on providing information in Table 6-11 suggest that establishments in durable goods manufacturing and in finance, insurance, and real estate were particularly likely to belong to the Federated Employers of the Bay Area. However, these data must be interpreted with caution, since they do not provide any information on firms with fewer than 100 employees, not included in the sample, and since the data relate to the first association mentioned by the employer. Some of the establishments which belong to more specialized industry associations may also belong to the Federated Employers but may not have mentioned the latter organization in its first response on membership.

The relation of headquarters to branches in industrial relations functions. Of all the establishments in our sample, 97, or 31.4 per cent, were branch units, with headquarters largely in other areas. The relations between the headquarters and the branch unit in industrial relations functions varied a good deal among these establishments (Table 6-12). Just about half indicated that their headquarters negotiated their collective bargaining agreements, while nearly as large a proportion indicated that headquarters interpreted collective bargaining agreements. Since the mention of interpreting agreements came as a second answer in most cases, it seems likely that there were a good many cases in which headquarters both negotiated and interpreted agreements. Other functions of headquarters which were mentioned by substantial proportions of these firms, in order of the frequency with which they were mentioned, were prescribing fringe benefits, including pensions, participating in grievance procedures, setting wage rates, and setting hiring standards.

Personnel departments. In view of the fact that our survey excluded firms with fewer than 100 employees, it is not surprising to find that a decided majority (64.4 per cent) had a personnel department (Table 6-13). Interestingly, the largest proportions of establishments with a personnel department were found in the least unionized sectors -- government and finance, insurance, and real estate -- while the smallest proportion was found in the heavily unionized mining and construction group, which was chiefly composed of construction firms, it will be recalled.

Clearly, differences in size of establishment helped to explain these variations. More than half of the establishments in the mining and construction group had fewer than 250 employees, whereas the government and the finance, insurance, and real estate groups were composed predominantly of considerably larger establishments (Table 2-5). Moreover, within the various major industry groups, there was a clear tendency for the larger establishments to be more likely to have personnel departments (data not shown). Nevertheless, it may well be that there is some tendency for establishments in industries that do most of their recruiting through unions to have less need for a personnel

Table 6 - 13

Whether Establishment has Personnel Department, and Number of Employees in Department, by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Major industry group	Total number	Per cent with personnel departments	Total departments		Number of Employees				
			Number	Per cent	Less than 5	5 to 9	10 to 19	20 to 29	30 or more
All establishments	309	64.4%	196[a]	100.0	61.2	19.4	6.6	3.1	9.7
Mining and construction	26	19.2	5	100.0	60.0*	--	20.0*	20.0*	--
Manufacturing									
Durable	57	71.9	41	100.0	63.5	19.5	2.4	--	14.6
Nondurable	62	64.5	40	100.0	70.0	20.0	5.0	--	5.0
Transportation and utilities	27	66.7	17[a]	100.0	47.0	29.4	5.9	5.9	11.8
Trade	46	58.7	27	100.0	66.7	14.8	11.1	--	7.4
Finance, insurance, and real estate	25	92.0	23	100.0	52.3	21.7	4.3	4.3	17.4
Services	36	50.0	18	100.0	72.2	16.7	--	11.1	--
Government	30	86.7	24[a]	100.0	50.0	20.8	12.5	4.2	12.5

*Percentages based on fewer than 15 cases.

[a]Total excludes establishments for which information on number of employees in personnel department was not available.

department than when recruitment is carried out through other channels. And, as for the large proportion of government departments with personnel departments, the administration of civil service policies in the recruitment and selection of employees virtually requires the existence of a personnel department, except, perhaps, in very small agencies, and in small branch units.

Whether the establishment was a single unit, branch unit, or headquarters unit also had some influence on whether or not it had a personnel department. This influence was interrelated with that of size of the establishment, and both of these factors combined helped to explain the variations by major industry group.

Single units were least likely to have a personnel department, while branch units were especially likely to have one (Table 6-14). Somewhat surprisingly, headquarters units -- whether they were main headquarters or area, regional, or divisional headquarters -- were somewhat less likely to have a personnel department than branch units. This difference was not explained by size variations. The distributions of branch units and of headquarters units by number of employees were very similar. However, differences in the proportions of headquarters units and branch units in the various major industry groups evidently played a role.

Manufacturing establishments, for example, were particularly likely to be branch units, and, since manufacturing establishments make up nearly two-fifths of the total sample, and were relatively likely to have personnel departments, this factor probably in large part accounted for the greater prevalence of personnel departments in branch units than in headquarters units.

Since our information on the location of the headquarters of the branch units and area, regional, or divisional headquarters is not discussed elsewhere in the report, it may appropriately be introduced at this point, since it is of considerable interest. Only about 16 per cent of the headquarters were located either in the same city or in other parts of the Bay Area, while about 13 per cent were located in other parts of California. A sizable majority, then, were located in other parts of the country or, in a very few cases, abroad (data not shown). Roughly half of these more distant headquarters were located in the Middle Atlantic states, while more than a fourth were in the East North Central states. Considerably smaller proportions were in the South Atlantic or in the New England states, while very few were located in other parts of the country.

Returning to our data on personnel departments, the majority were quite small, with fewer than five employees, while about four-fifths of all the departments had less than ten employees (Table 6-13). On the other hand, about 10 per cent were quite sizable, with 30 or more employees, and these larger departments tended to be found in the major industry groups which included some very large establishments. Desirable as it would be to undertake a closer analysis of the relationship of the number of employees in the personnel department to the size of the establishment, clearcut results could not be obtained from such an analysis, since our data on number of employees always refer to the number <u>in the Bay Area</u>, whereas some of the personnel departments served a much wider area.

The relationship of the existence of a personnel department to some of the personnel policies of our establishments is explored in other sections of the report.

Table 6 - 14

Whether Establishment Has Personnel Department, and Number of Employees in Department, by Type of Organization -- Bay Area Employer Policy Survey, 1967

Type of organization	Total number	Per cent with personnel departments	Total departments		Number of employees				
			Number	Per cent	Less than 5	5 to 9	10 to 19	20 to 29	30 or more
All establishments	309	64.4%	196[a]	100.0	61.2	19.4	6.6	3.1	9.7
Single unit	71	50.7	36	100.0	80.5	16.7	2.8	--	--
Branch unit	97	79.4	77	100.0	63.6	20.8	2.6	2.6	10.4
Headquarters unit	107	59.8	63[a]	100.0	52.4	22.2	9.5	3.2	12.7
Area, regional or divisional headquarters, and other types	34	64.7	20[a]	100.0	45.0	10.0	20.0	10.0	15.0

[a]Excludes establishments for which information on number of employees in personnel department was not available.

Table 6 - 15

Type of Organization, by Major Industry Group --
Bay Area Employer Policy Survey, 1967

Major industry group	Total		Single unit	Branch unit	Head-quarters unit	Area head-quarters, etc.
	Number	Per cent				
All establishments	309	100.0	23.0	31.4	34.6	11.0
Mining and construction	26	100.0	46.2	15.4	30.8	7.7
Manufacturing						
Durable	57	100.0	12.3	57.9	26.3	3.5
Nondurable	62	100.0	6.5	51.6	27.4	14.5
Transportation and utilities	27	100.0	11.1	25.9	48.2	14.8
Trade						
Wholesale	13	100.0	--	7.7*	69.2*	23.1*
Retail	33	100.0	21.2	9.1	60.6	9.1
Finance, insurance, and real estate	25	100.0	4.0	16.0	72.0	8.0
Services	36	100.0	58.3	13.9	13.9	13.9
Government	30	100.0	53.3	26.7	6.7	13.3

Footnotes to Section VI

1. See Margaret S. Gordon, Employment Expansion and Population Growth: The California Experience, 1900-1950 (Berkeley and Los Angles: University of California Press, 1954) and Employment and Unemployment in California, background paper prepared for Governor's Conference on Employment, Monterey, California, September 30 to October 3, 1965 (unpublished report, Institute of Industrial Relations, University of California, Berkeley).

2. See Robert E. L. Knight, Industrial Relations in the San Francisco Bay Area, 1900-1918 (Berkeley and Los Angles: University of California Press, 1960) and a second volume by the same author, continuing the history of industrial relations in the area through the general strike of 1934, now in the final revision stage.

3. Union Labor in California: 1966, California Department of Industrial Relations (San Francisco: 1967), p. 12.

4. Clark Kerr and Lloyd Fisher, "Multiple-Employer Bargaining: The San Francisco Experience," in Richard A. Lester and Joseph Shister, editors, Insights into Labor Issues (New York: Macmillan, 1948), p. 27.

5. William H. Smith, Local Employers' Associations (Berkeley: Institute of Industrial Relations, University of California, 1955), pp. 3-4.

6. Service Directory: 1967, Federated Employers of the Bay Area (San Francisco: 1967).

7. Annual Report: January 1968, United Employers, Inc. (Oakland: 1968).

VII. Recruitment Practices

Interpreting the data. Various pitfalls await the unwary in any attempt to answer the seemingly simple questions: How do workers find jobs? How do employers obtain workers? How does the effectiveness of one type of recruitment compare with another's?

Some of these difficulties can arise from the varying perspectives underlying the answers given by different persons to an identical question such as, how was this job obtained. The worker if asked might answer "through my friend," because it was the latter who advised him to visit his local office of the Department of Employment. The local office interviewer who referred the worker to his job could justifiably claim the public service had been the recruitment channel used. The company's personnel officer informed him the worker was hired and had reported to work. And the company's department head who actually selected the worker and who was never advised of the original referral might answer that his new employee was a "gate hire," screened and sent to him by his own personnel office. Our data were gathered from but one source, the employer. Hence we can present our information without fear, at least, of revealing the potential for such internal contradictions as these. But, because of the differences in perspectives just mentioned, it would be perilous to assume that percentage relationships developed under the particular conditions of this survey can be used without possibility of grave error to estimate the penetration, by some specific means of recruitment, of a given indusrty or size class of establishments.

The varying connotations a single word can have when used in different contexts must also be born in mind when our data are interpreted. In order to determine the relative use by the survey employers of public and private employment agencies without resort to written records which, for the most part, they did not possess, we asked if they used these agencies "frequently," "infrequently," or "never."

Immediately, the word "use" had to be defined, and it was defined as the listing of job openings. Respondents were completely conversant with company policy and practice as to this matter. And we believed sound and complete information on this aspect of company policy to be more valuable than the fragmentary responses possible (responses, incidentally, that would have been greatly influenced by many variables unrelated to employer policy) had we defined "use" as the actual referral and placement experience that followed upon a listing of job opportunities. Our definition of "use," however, leads to a considerable bias favoring the California Department of Employment's prominence has a hiring channel if that word is construed to relate to placement activity rather than to job listing. According to the comments of many respondents, the policy of listing jobs "frequently" (or even always) did not necessarily signify that workers were frequently referred following a listing of the jobs or, if they were, that the referred workers were frequently hired.

Similarly, problems existed in the use of the words "require" and "exclusively" in connection with union hiring. Some bias favoring the prominence of unions as hiring channels may arise if our usages are misunderstood. Where a collective bargaining agreement required the employer to list all job

vacanies with the concerned union, an employer policy of hiring through the union was recorded even though very few hires may have eventuated from the job listing.

"Frequently" no less than the words, "use" and "require," presented problems. In this instance, again, we could be precise. However, our definition of "frequently" introduces yet another caution as to using the relationships we have developed to estimate the relative volume of workers hired by means of any of the recruitment channels we described. "Frequently," as we used this word implied the frequency with which a given hiring channel was utilized when a job vacancy occurred, not the frequency with which these vacancies did occur. Hence, a number of responses that a particular hiring channel was "frequently" used to fill jobs in professional classifications or in a stable establishment with low turnover rates might signify far less in terms of the number of workers actually hired through that channel than a single response of "infrequently" referring to the one-time, mass recruitment of lesser skilled workers for one defense contractor's sharp and sudden employment expansion.

The interpretation should be avoided, also, that the frequent use of one hiring channel necessarily implied the infrequent use or nonuse of another. As an example (detail not shown), 64 per cent of all respondents reporting the frequent use of private employment agencies indicated that they used the California Department of Employment frequently as well. And, conversely, 34 per cent of those employers replying that they never used the California Department of Employment reported nonuse, also, of private employment agencies.

And as a last caution concerning the terms and categories in which our data are presented, it should be mentioned that the term "infrequent use" can have both positive and negative implications. On this account, a strangely assorted assemblage of reasons falls together to explain "infrequent use." As an example, private employment agencies can be infrequently used by one employer for the strongly negative reason that he objects to payment of a fee by the applicant. However, another employer who customarily uses a quite different recruitment channel may explain his infrequent recourse to private agencies when the former channel fails him with the equally strong positive reason that their screening is good and that they "send people with the appropriate qualifications."

Use of the California Department of Employment. A question directed to the 309 survey establishments concerning the extent to which they used the California Department of Employment elicited the reply that 171, or nearly 56 per cent used this service frequently; 106, or 34 per cent, used it infrequently; and 32, or 10 per cent, never used the Department.

Reasons for frequent use of the service (Table 7-1) ranged widely but can be grouped roughly into a few major types. Relatively most important were those reasons related to favorable experience with the Department's performance. Such reasons as "good source in general" or good source of "white-collar," "blue-collar," or "unskilled workers," or "knows needs of employer" accounted for 54 per cent of all reasons given for frequent use of the public service.

Of next greatest relative weight was a block of reasons that reflected company policies or attitudes that may or may not be related to past favorable

Table 7 - 1

Reasons Given by Survey Establishments for Frequent Use of the California Department of Employment -- Bay Area Employer Policy Survey, 1967

Reasons for frequent use	All responses
All responses[a]	
Number	213
Per cent	100.0
Good source in general; good or satisfactory results	22.0
Uses to obtain greater or maximum coverage	12.2
Good source of white-collar employees, including clerical and sales	8.9
Good source of blue-collar workers	6.6
Good source of unskilled workers	6.6
Objects to payment of fee (to private agency) by the applicant	4.2
Good source of applicants; sends people with appropriate qualifications	3.8
Policy of the employer always to list	3.8
Uses a tax-supported public service	3.8
Uses when civil service lists are not adequate	3.3
Has applicants available	2.8
Good source of specialized personnel, including professional and technical	2.3
Objects to payment of fee (to private agency) by the employer	2.3
Uses when union cannot supply applicants	1.9
Knows need of employer; sends people who meet needs	1.4
Uses as a source for hiring from minority groups	1.4
Other reasons	12.7

[a]The total excludes employers that used the California Department of Employment infrequently or did not use the California Department of Employment, and employers that did not provide information. The number of responses exceeds the number of employers reporting as some employers supplied more than one reason.

experience with the public service. Such reasons included the effort to "obtain greater or maximum coverage" -- a reason often associated with the equal or more frequent use of another hiring channel, or, in fact, with the use of several channels. Other reasons for frequent use that reflected a policy decision or an attitude and not necessarily past favorable referral experience included "objections to fee payment" by either applicant or employer; a desire to use "a tax-supported public service"; or a means of "hiring from among minority groups." And such "policy reasons," when accumulated, accounted for more than a quarter of all reasons given for frequent use of the Department. Least prominent among reasons for frequent use were those indicating the inadequacy of some other alternative (and possibly preferred or required) means of finding workers, such as through civil service procedures or union hiring. These types of reasons, taken together, made up about 5 per cent of the total.

Reasons for infrequent use or nonuse of the California Department of Employment (Table 7-2) can likewise be accumulated into a few general categories. Those reasons implying that another source of recruitment was preferred or required (thus diminishing the frequency with which the public service was utilized or preventing its use altogether) reflected in responses the largest proportion of reasons for infrequent use or for nonuse. These reasons, in effect, constituted a roster of the Department's competitors. Listed in order of the relative frequency with which they were mentioned by respondents, they were: direct hiring, unions, advertising, private agencies, and civil service lists. The reason, "no need," is included in this category as it has been construed to mean that some other channel is proving an effective competitor.

Reasons explicitly mentioning dissatisfaction with the performance of the Department accounted for more than a third of all reasons given for infrequent or nonuse of the agency. These reasons included such comments as "not a good source in general," "inadequate screening of applicant," and "not a good source of qualified, high calibre people."

Such positive reasons as "good source of white-collar workers," or "good results in general" were also put forward to explain some, but infrequent, use. Together, these accounted for only about 5 per cent of the total. In addition, reasons for infrequent use that could be characterized as "policy reasons" were also advanced. This group included reasons such as a desire to "obtain maximum coverage" or to "participate in minority hiring." Together, these comprised less than 5 per cent of all responses.

The relative proportions in which respondents reported the extent of their use of the California Department of Employment showed the heaviest concentrations of frequent users of this service in durable goods manufacturing; finance, insurance, and real estate; government; and services (Table 7-3). The smallest proportions of frequent users were in the major industry groups: transportation and utilities; wholesale trade; construction; and retail trade.

The largest proportions of survey establishments reporting nonuse of the public agency reflected practices in the major industry groups: construction; the transportation complex of industries; wholesale trade: services; and government.

Some at least of these industry differences arise from the extent to

Table 7 - 2

Reasons Given by Survey Establishments for Infrequent Use or Nonuse of California Department of Employment -- Bay Area Employer Policy Survey, 1967

Reasons for infrequent use or nonuse	All responses
All responses[a]	
Number	154
Per cent	100.0
Is not a good source in general; poor or unsatisfactory results	16.6
Uses direct hiring	13.6
Inadequate screening of applicants; sends people without appropriate qualification	13.0
Uses union to obtain recruits	11.0
No need	8.4
Not a good source of well qualified or high calibre people	5.8
Good source of white collar including clerical and sales	3.2
Uses advertising to obtain recruits	3.2
Uses private agencies to obtain recruits	2.6
Good results in general; good or satisfactory results	1.9
Uses Civil Service lists	1.9
Uses to obtain greater or maximum coverage	1.9
Uses to participate in minority hiring	1.9
Other reasons	15.0

[a] The total excludes employers that used the California Department of Employment frequently and employers that did not provide information. The number of responses exceeds the number of employers reporting as some employers supplied more than one reason.

Table 7 - 3

Extent of Use of the California Department of Employment by Survey Establishments by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Major industry group	Total		Extent of use		
	Number	Per cent	Frequent	Infrequent	Nonuse
All establishments	309	100.0	55.3	34.3	10.4
Mining and construction	26	100.0	50.0	19.2	30.8
Durable goods	57	100.0	63.2	33.3	3.5
Nondurable goods	62	100.0	54.8	38.7	6.5
Transportation and utilities	27	100.0	40.7	40.7	18.6
Wholesale trade	13	100.0	46.1*	38.5*	15.4*
Retail trade	33	100.0	51.5	42.4	6.1
Finance, insurance, and real estate	25	100.0	60.0	32.0	8.0
Services	36	100.0	58.3	30.6	11.1
Government	30	100.0	60.0	30.0	10.0

*Percentages based on fewer than 15 cases.

which other channels are more customarily used in certain industries, channels such as unions or own employment offices. However, as mentioned earlier, "frequent" use is not necessarily a measure of the volume of workers affected. The construction employer for example, who frequently listed his clerical job vacancies with the public service, and many did, was a frequent user of the Department of Employment within the terms of our definition. He was regarded as such even though the restrictions imposed by his collective bargaining agreement would have prevented "frequent" use in filling the great majority of his job openings.

The range of the relative incidence of frequent users of the Department by major industry groups -- from 63 per cent of all survey establishments in durable goods manufacturing to 41 per cent in transportation -- was not great. In fact, the various recruitment practices associated with different industry groups appear little able to discriminate consistently among the survey establishments' degrees of usage of the public service on the basis of their industry attachment. The possibility is strong that some other variable might prove more closely associated with the frequent use or lack of use of the public service.

When degree of use of the California Department of Employment is related to the number of employees in the survey establishments, the influence of establishment size upon recruitment practices is shown to be much more important than is that of the establishment's major industry group. The relative proportions of respondents reporting that their establishments frequently used the Department ranged from more than 70 per cent in the larger size classes of establishments to a low of 45 per cent for establishments with fewer than 250 workers. The latter group, also, accounted for the highest proportion of nonusers registered by any size group, while the larger establishments included only an insignificant proportion of nonusers. It would thus appear that size of establishment is a determining factor of use within our categories as we have defined them and within the broad size intervals into which the survey establishments have been consolidated. However, there remains much in the substance of the reasons given for the extent of use of the public service to raise the possibility that yet other variables might have been of major importance in influencing the survey employers to use the public agency frequently, infrequently, or not at all.

By no means all of the reasons given by the respondents for their degree of use of the Department of Employment concerned matters relating to industry practices such as hiring through unions or civil service lists nor did all of their reasons concern matters that could be related to an establishment's size such as the desire to "obtain greater or maximum coverage," or the policy of listing all jobs. Many of the reasons given, both positively and negatively, were connected with the respondent's evaluation of the services he was receiving.

It is possible to relate the respondents' replies concerning the extent of their use of the Department of Employment with the specific local employment offices (or complexes of local offices in the larger cities) that serve them. If this is done, the range of relative proportions of establishments using the public service extends from 83 per cent of all employers located in what we shall call "Area 1" in order to preserve the confidentiality of our data to 37 per cent of the total situated in what we have called Area 10 (Table 7-5).

Table 7 - 4

Extent of Use of the California Department of Employment by Survey Establishments by Number of Employees -- Bay Area Employer Policy Survey, 1967

Employment size	Total		Extent of use		
	Number	Per cent	Frequent	Infrequent	Nonuse
All establishments	309	100.0	55.3	34.3	10.4
Under 250	130	100.0	45.4	37.7	16.9
250 and under 500	73	100.0	53.4	38.4	8.2
500 and under 1,000	50	100.0	64.0	32.0	4.0
1,000 and under 2,000	28	100.0	75.0	21.4	3.6
2,000 or more	28	100.0	71.4	25.0	3.6

Table 7 - 5

Extent of Use of the California Department of Employment
by Survey Establishments by Local Office
Area Serving Establishment --
Bay Area Employer Policy Survey, 1967

California Department of Employment local office area	Total		Extent of use		
	Number	Per cent	Frequent	Infrequent	Nonuse
All establishments[a]	309	100.0	55.3	34.3	10.4
Areas: 1		100.0	83.3	16.7	0.0
2		100.0	80.0	10.0	10.0
3		100.0	76.9	23.1	0.0
4		100.0	61.9	33.3	4.8
5		100.0	61.1	33.3	5.6
6		100.0	57.4	32.3	10.3
7		100.0	57.1	28.6	14.3
8		100.0	50.0	33.3	16.7
9		100.0	49.2	37.5	13.3
10		100.0	37.0	51.9	11.1

[a]In those cities served by more than one local office because employment services are offered on the basis of occupation, industry or type of worker, data unavoidably relate to the total complex of offices in the given city. For purposes of the above table, establishment addresses were coded in accordance with the order-holding local office providing services to the establishment.

The relative proportions of nonusers ranged from 0 in Area 1 (and also in one other area where more than three-fourths of all respondents used the Department frequently) to 17 per cent in an area that was below the general average in its proportion of frequent users.

It can, of course, be argued that this factor of location is significant, not because of the quality of service given by the local office or offices in a given community but because of the community's economic and social characteristics which in turn determine the recruitment practices of the establishments in that community. This argument is not without merit, but testing this thesis against our data leaves many questions unanswered.

Were the economic and social characteristics of a given community a determining factor in the extent of use of the public service, it could be expected that communities of similar characteristics in these respects would contain groups of survey establishments exhibiting similar patterns of frequent and infrequent use. Such, however, is not the case. Rather, similar communities contain groups of survey establishments that are significantly dispersed, either on one side or on the other, from the general average of all survey establishments as to their respective proportions of frequent and infrequent users and of nonusers of the public service.

Thus, it is possible to find one large urban area in which survey establishments reflected an above average incidence of frequent users of local office services associated with a low average incidence of nonusers. The exact reverse characterized another large urban area. Areas with concentrations of industries that are heavily unionized emerged in our findings as occupying places on both sides of the general average as to degree of use, as did communities with proportionately high white-collar employment, areas with "light" industry, areas with relatively high proportions of disadvantaged applicants, and the so-called "bedroom areas."

It would therefore appear possible that the relative degrees of use by the survey establishments of the Department of Employment relates as closely to their judgment of the performance of the local offices serving them as it does to any other single factor. Their degrees of use (like the many employer comments made in the course of our interviews) appear to be based on a significantly wide range of evaluations -- evaluations which in one local office area may be, with near unanimity, highly favorable, while such judgments in another area may, with great consistency, be highly unfavorable.

Use of private employment agencies. The same questions were directed to our respondents concerning the extent of their use of private employment agencies that they had been asked regarding the public service.

Of the 309 survey establishments, 151, or 49 per cent, reported using private agencies frequently; 109, or 35 per cent, used these agencies infrequently; and 16 per cent never utilized their services. These replies, it should be noted, indicated a lighter use, relatively, of fee-charging than of public agencies by the survey establishments. Frequent use of the Department of Employment (56 per cent) was reported relatively more often by the respondents, and infrequent use or nonuse less often (34 and 10 per cent, respectively).

As was also true respecting the public service, reasons for frequent use of the private agencies (Table 7-6) ranged widely but, again, can be grouped into a few major types. Reasons relating explicitly to satisfaction with the performance of the service, it will be recalled, accounted for something over one-half of all the reasons given for frequent use of the Department of Employment. For the private agencies, this same category of reasons (including such responses as "good source of white-collar"; "good screening of applicants"; "good source in general"; "knows needs of establishment"; "good source of well qualified people") accounted for 80 per cent of all reasons given by the respondents.

Reasons reflecting general policies or attitudes such as obtaining "maximum coverage," "policy always to list," or objections to fee-charging by the applicant or employer had accounted for more than a quarter of all reasons reported for frequent use of the public service. With respect to the private agencies, policy-type reasons accounted for less than 10 per cent of the total. And a smaller proportion of reasons, also, pointed to frequent use of the private agencies because an alternate recruitment channel such as unions or civil service lists had proved inadequate.

Reasons given by the respondents for the infrequent use or nonuse of private agencies also fell into a different pattern from the replies concerning the same degrees of use of the California Department of Employment by the survey establishments.

For the public service, reasons reflecting an unfavorable view of the services given accounted for 36 per cent of all reasons. For the private agencies this species of reasons accounted for less than 8 per cent. Reliance primarily or exclusively on alternate recruitment channels comprised 40 per cent of all reasons advanced for the infrequent use or nonuse of the Department of Employment. The comparable percentage for the private agencies was similar at 45 per cent.

Reasons related to general policies (and these acted positively in promoting the infrequent use of the Department of Employment) were reflected in less than 5 per cent of the total relating to that agency. On the other hand, such reasons -- almost exclusively negative -- constituted 26 per cent of all reasons advanced as to the infrequent use or nonuse of private agencies with a fair share of them representing a dislike of fee-charging.

Finally, about 5 per cent of the reasons for making some, but infrequent, use of the Department of Employment derived from satisfaction with past performance. The considerably larger proportion of 15 per cent was the comparable figure for the private agencies.

When the industrial distribution of the survey establishments is considered in relation to the latter's relative use of private employment agencies, a wide range of variation by major industry group is noted (Table 7-8).

Heading the list, as reflected by the survey establishments, is finance, insurance, and real estate, in which 92 per cent of all respondents reported using private agencies frequently, 8 per cent used them infrequently, and none reported they were never used. Construction employers followed next with

Table 7 - 6

Reasons Given by Survey Establishments for Frequent Use of Private Employment Agencies -- Bay Area Employer Policy Survey, 1967

Reasons for frequent use	All responses
All responses[a]	
Number	192
Per cent	100.0
Good source of white collar employees, including clerical and sales	23.5
Good screening of applicants; send people with appropriate qualifications	20.8
Good source in general; good or satisfactory results	13.5
Good source of specialized personnel, including professional and technical	9.4
Uses to obtain greater or maximum coverage	7.8
Knows needs of establishment; send people who meet needs	4.7
Convenient	2.6
Good source of well qualified or high calibre people	2.6
Have applicants available	2.6
Uses when union cannot supply applicants	2.1
Other reasons	10.4

[a]The total excludes employers that used private employment agencies infrequently or did not use such agencies. The number of responses exceeds the number of employers reporting as some employers supplied more than one reason.

Table 7 - 7

Reasons Given by Survey Establishment for Infrequent Use or Nonuse of Private Employment Agencies -- Bay Area Employer Policy Survey, 1967

Reasons for infrequent use or nonuse	All responses
All responses[a]	
Number	202
Per cent	100.0
Uses direct hiring	12.8
Objects to payment of fee by applicant	9.8
No need	9.4
Uses union to obtain recruits	9.4
Good source of white collar employees, including clerical and sales	7.4
Objects to payment of fee by establishment	6.9
Prevented by statute or by administrative regulation	5.9
Uses advertising to obtain recruits	4.5
Good source of specialized personnel including professional and technical	4.0
Uses Department of Employment to obtain recruits	3.5
Are not a good source in general; poor or unsatisfactory results	2.5
Uses referrals of own employees	2.5
Uses school placement agencies	2.5
Uses to obtain greater or maximum coverage	2.5
Good screening; send people with appropriate qualifications	2.0
Inadequate screening of applicants; send people without appropriate qualifications	2.0
Good results in general; good or satisfactory results	1.5
Are not a good source of specialized personnel, including professional and technical	1.5
Are not a good source of white collar, including clerical and sales	1.5
Not the policy of the establishment to list	1.5
Other reasons	6.4

[a]The total excludes employers that used private employment agencies frequently. The number of responses exceeds the number of employers reporting as some employers supplied more than one reason.

Table 7 - 8

Extent of Use of Private Employment Agencies
by Survey Establishments by Major Industry Group --
Bay Area Employer Policy Survey, 1967

Major industry group	Total		Extent of use		
	Number	Per cent	Frequent	Infrequent	Nonuse
All establishments	309	100.0	48.9	35.3	15.8
Mining and construction	26	100.0	65.4	23.1	11.5
Durable goods	57	100.0	52.6	33.3	14.1
Nondurable goods	62	100.0	41.9	51.6	6.5
Transportation and utilities	27	100.0	40.8	29.6	29.6
Wholesale trade	13	100.0	53.8*	46.2*	
Retail trade	33	100.0	33.3	60.6	6.1
Finance, insurance, and real estate	25	100.0	92.0	8.0	
Services	36	100.0	58.3	30.6	11.1
Government	30	100.0	16.6	16.6	66.8

*Percentages based on fewer than 15 cases.

65 per cent reporting frequent use and 11 per cent that they were never used. It should, of course, be pointed out that in the first major industry group in which white-collar workers form virtually the entire work force of the industry, this high degree of frequent use is considerably more significant in terms of the numbers of workers involved than it is for construction, in which a relatively much less important segment of the industries' total employment is concerned. Employers from services, wholesale trade, and durable goods manufacturing all reported heavier frequent use of private agencies than the general average of relative use by all respondents. Reporting the lowest frequent use of their services were, of course, government establishments as these are generally barred by law from using private agencies. The fairly significant 17 per cent of these respondents replying that they frequently used private agencies reflected those from schools and special districts. Also reporting frequent use of private agencies in less than the average proportion were employers from retail trade, the transportation group of industries, and nondurable goods manufacturers.

The proportion of all survey establishments in which private agencies were never used as a recruitment channel was reported at 16 per cent. The highest proportion of nonusers recorded was, as would be expected, in government, followed by respondents representing the transportation group. No respondents from either the finance complex of industries or from wholesale trade reported that their establishments were nonusers of private agencies. Nonusers also comprised relatively small proportions of the respondents from retail trade, nondurable goods manufacturing, and services.

The strong although not entirely consistent relationship between a high degree of use of private agencies and small establishment size as shown by our data (Table 7-9) is not obscured by the fact that representatives of government (and of other activities where recruitment patterns related to industry predominate) are scattered through all size classes.

Frequent use of private agencies that is well above the general average for all survey establishments was reported by respondents from establishments with fewer than 500 workers. Establishments having more than 500 employees showed a relatively smaller proportion of frequent users and in those with more than 2,000 workers this proportion diminished sharply. Even establishments of the largest size, however, included 43 per cent where private agencies were used infrequently despite the existence, often, of highly effective personnel departments and, sometimes, of large employment offices.

The relationship between employment size and nonuse of private employment agencies was reflected in the fact that establishments under 500 workers showed below average proportions of nonusers. Establishments over this size, although not consistently, tended to be characterized by greater than average proportions of nonusers.

Unions as recruitment channels. As indicated in the previous section, of the 309 establishments included in our survey, 236 had collective bargaining agreements with one or more unions; 11 had union representation but no agreements, and in 62 there were either contracts nor representation.

Those 247 respondents having some potential of using unions as a recruitment channel were asked, "Do any of your union contracts require you to hire

Table 7 - 9

Extent of Use of Private Employment Agencies
by Survey Establishments by Employment Size --
Bay Area Employer Policy Survey, 1967

Employment size	Total		Extent of use		
	Number	Per cent	Frequent	Infrequent	Nonuse
All establishments	309	100.0	48.9	35.3	15.8
Less than 250	130	100.0	57.8	29.2	13.8
250 to 499	73	100.0	53.4	38.4	8.2
500 to 999	50	100.0	36.0	44.0	20.0
1,000 to 1,999	28	100.0	50.0	32.1	17.9
2,000 or over	28	100.0	21.4	42.9	35.7

through the union?" As mentioned previously, the word "require" was taken in this context to include the requirement that all job openings be listed irrespective of later referral or placement experience. Consequently, the proportion of respondents who indicated that they were required to hire exclusively through unions included employers who often were referring to no more than the requirement that the union be advised of all job openings within its jurisdiction. In fact, even in those situations where the employers were "required" to hire through unions they were free to go outside the union when the latter could not supply workers. In the labor market situation in which our interviews were conducted, this situation was encountered frequently.(Table 7-10).

A significant proportion of employers, however, frequently turned to the appropriate union as the major recruitment channel or as a supplementary channel for workers in the occupation they were seeking. Where this was the practice, but there was no provision in the bargaining agreement specifying such job listing, the category "hires frequently" applies in Table 7-10 following. In addition, employers having union shop provisions in their contracts may in some cases be included in this category.

The category "hires rarely or never" applies to those employers whose collective bargaining agreements impose no restrictions as to hires, and who, in addition, rarely use the union as a source of job referrals.

Because of the hiring hall arrangements to be found in that industry, the higher proportion of survey employers in construction than in any other industry reported that they were required to hire exclusively through the union. Trailing at a considerable distance were other industries in which a substantial proportion of respondents reported that they hired exclusively through unions. Most such responses reflected collective bargaining agreements with the Teamsters, whose contracts frequently require all jobs to be listed with the union. It will be recalled (Section VI) that the Teamsters were represented in more establishments than any other union.

Frequent hiring through the union was reported to a lesser extent by the respondents who were not required by agreement to hire exclusively through this channel than by those employers in situations in which contract provisions were more stringent. The most substantial proportions of respondents reporting frequent hiring within the meaning of this category were to be found in the services and retail trade major industry groups.

Large proportions of respondents in all industry groups, however, reported they rarely or never used unions as a hiring channel. The proportion of respondents not using unions in connection with their recruitment efforts was, of course, greatest in government, in which no respondents followed this practice. The proportion not using unions for recruitment was next highest in durable goods manufacturing followed by nondurable goods manufacturers and the transportation industries.

Those respondents mentioning that they hired in greater or lesser extent through unions were next asked if they had any comments concerning their experience in this regard.

Roughly 40 per cent of all comments made were favorable; for example, the

Table 7 - 10

Extent of Use of Unions Represented in Survey Establishments in Recruitment by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Extent of use of unions in recruitment	All industries	Major industry group								
		Mining and construction	Durable goods	Non-durable goods	Transportation and utilities	Wholesale trade	Retail trade	Finance, Insurance, and real estate	Services	Government
All establishments[a]										
Number	247	25	49	59	26	11	29	6*	27	15
Per cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0		100.0	100.0
Required to hire exclusively through all or any of the unions represented in the establishment	36.4	96.0	10.2	35.6	38.4	45.5*	44.7		25.9	
Hires frequently through all or any of the unions represented in the establishment	21.5	4.0	18.3	20.4	19.1	27.3*	34.5		48.1	
Hires rarely or never through all or any of the unions represented in the establishment	42.1		71.5	43.0	42.5	27.2*	20.8		26.0	100.0

[a]The total excludes employers not having union representation.

*Percentages based on fewer than 15 cases, or not computed because of the small number of cases.

unions are "cooperative, and provide workers promptly"; they "provide qualified workers"; the employer has the "prerogative to reject unqualified referrals"; or, there are "no problems." Half of the comments were unfavorable, as examples: the unions "cannot supply the calibre of workers required"; they cannot provide workers "in sufficient quantity" or they do not "screen referrals."

When these comments are considered in relation to the major industry group of the respondents (Table 7-11), it is noted that the largest proportion of those in construction commented that they had the "prerogative of rejecting unqualified referrals." In the relative proportion of those making the comment, these construction employers were followed by others who found the unions "cooperative and able to provide workers promptly," and next by a group that registered the complaint that "unions do not screen their referrals."

The largest single group of durable goods manufacturers stated that unions "cannot supply the calibre of workers required," followed by equal numbers, relatively, who said "workers were not supplied at the required level of skill" or who mentioned that the "union is cooperative and is providing workers promptly." Nondurable goods manufacturers made the latter comment with the same relative frequency as the durable goods manufacturers. But they followed this statement with their second most frequently expressed comment to the effect that "unions cannot supply the calibre of worker required." Comments from retail trade employers emphasized the latter remark and also the complaint that the "unions do not screen their referrals." However, the same proportion of respondents subscribing to either of these sentiments commented that the "unions provide qualified workers." The largest proportion of employers in the services major industry group believed that "unions cannot supply the calibre of workers required" but nearly as many pointed out that the employer "can reject unqualified referrals."

Too few responses on the matter from very large establishments are included in our data to attempt relating, in any detail, the comments made as to experiences in hiring through unions with size class of establishments (Table 7-12). However, in establishments with fewer than 250 employees, equal proportions of respondents stated that the "unions are cooperative and provide workers promptly" and that "unions cannot supply the calibre of workers required."

In survey establishments having from 250 to 499 workers, the largest proportion of respondents believed the "unions unable to supply the calibre of workers required." This group, however, was followed next in order of relative incidence by respondents commenting that the "unions were cooperative and provided workers promptly." Respondents representing establishments with 500 and more employees replied with greatest relative frequency that "unions cannot supply workers in sufficient quantity." In next largest proportion was the familiar complaint that "unions cannot supply the calibre of worker required."

Most important recruitment channels by major occupational group. Questioning of the respondents concerning their use of the three recruitment channels discussed above was followed by inquiries that extended our exploration of hiring practices to the use of other channels as well.

The interview schedule, itself, contained only a relatively simple

Table 7 - 11

Survey Establishment Comments on Experience in Hiring Through Unions, by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Establishment comments	All industries	Major industry group				
		Mining and construction	Durable goods	Nondurable goods	Retail trade	All other industries[b]
All establishments[a]						
Number	102	16	15	25	15	16
Per cent	100.0	100.0	100.0	100.0	100.0	100.0
No problems	8.8	18.8	6.7	12.0		12.5
Unions are cooperative and provide workers promptly	14.7	25.0	20.0	20.0		6.3
Employer has prerogative to reject unqualified referrals	8.8	6.2	6.7	4.0	6.7	12.5
Unions provide qualified workers	8.8	6.2		12.0	20.0	
Unsatisfactory, or unsatisfactory the greater part of the time	7.8	12.6	6.7	8.0		12.5
Unions cannot supply workers in sufficient quantity	8.8		13.3	8.0	13.3	12.5
Unions cannot supply the required level of skill	5.9		20.0	4.0	13.3	
Unions cannot supply the calibre of worker required	21.7	6.2	26.6	16.0	20.0	37.4
Unions do not screen referrals	5.9	18.8		4.0	6.7	6.3
Other comments	8.8	6.2		12.0	20.0	

[a]The total excludes employers not hiring through unions and employers preferring not to comment on experience in hiring through unions.

[b]All other industries includes Transportation, Wholesale Trade and Finance. No experience was reported for government.

Table 7 - 12

Survey Establishment Comments on Experience in Hiring Through Unions, by Number of Employees -- Bay Area Employer Policy Survey, 1967

Establishment comments	Total	Number of employees: Less than 250	250 to 499	500 or more
All establishments[a]				
Number	102	50	23	29
Per cent	100.0	100.0	100.0	100.0
No problems	8.8	12.0	8.7	3.4
Unions are cooperative and provide workers promptly	14.7	20.0	17.4	3.4
Employer has prerogative to reject unqualified referrals	8.8	8.0	4.3	13.8
Unions provide qualified workers	8.8	12.0		10.3
Unsatisfactory, or unsatisfactory the greater part of the time	7.8	8.0	8.7	6.9
Unions cannot supply workers in sufficient quantity	8.8	2.0	4.3	24.3
Unions cannot supply the required level of skill	5.9	10.0		3.4
Unions cannot supply the calibre of worker required	21.7	20.0	30.5	17.3
Unions do not screen referrals	5.9		8.7	13.8
Other comments	8.8	8.0	17.4	3.4

[a]The total excludes employers not hiring through unions and employers preferring not to comment on experience in hiring through unions.

question asking which hiring channel the employer used most frequently for each of the major occupational groups. The supplementary statistical tables in Part II of this schedule, however, contained two tables on "Recruitment Data." (See Appendix B.) These tables permitted gathering additional information about hiring channels and also data relating to recruitment areas. In many instances the supplementary tables were completed by the respondent after the interview, giving him an opportunity to consult records or other persons in the establishment more conversant than he with the subject. In other instances these tables were completed during the interview, or sufficient additional information was recorded on the schedule that tables could be constructed immediately thereafter.

A total of 304 tables describing recruitment channels and of 156 giving recruitment areas was completed. The following descriptions and tabular presentations are derived from these sources. Because Tables 7-13 through 7-20 below, describing the first, second, third, and fourth most important recruitment channels used by the survey establishments present our data in considerable detail, we will summarize the information they contain very briefly. Where industry detail is given below as to "first most important recruitment channel," it is derived from cross-tabulations that were not included in the report, because most of the detail shown, beyond that referred to in the text below, rested on too few cases for the computation of percentages. For the same reason, no detail whatever is given as to recruitment areas.

The largest proportion of respondents (21 per cent) considered private employment agencies the most important recruitment channel for professional and technical workers. This selection was followed by direct hiring and by school or college placement services. Relatively the largest number of respondents favored newspaper advertising as the second and third most important channels, and school or college placement services as the fourth (Table 7-13).

According to the relative weight of the respondents' opinion in the appropriate industries, the first most important recruitment channels, by major industry group, for professional and technical workers are as follows:

Construction.....Direct hiring
Durable goods manufacturers.....Private employment agencies
Nondurable goods manufacturers....School and college placement agencies
Transportation industries.....Equally - private employment agencies and from within
Retail trade.....Equally - direct hiring and private employment agencies
Finance industries.....Private employment agencies
Services.....Direct hiring
Government.....Civil service

Relatively the most respondents (72 per cent) saw promotion from within as the most important recruitment channel or, in this context, as the primary source of managerial workers. They were followed by very much smaller proportions of employers who thought direct hiring or private employment agencies the most important channel for workers in this occupational group. So likely were the respondents to mention newspaper advertising among their choices, that this hiring channel was recorded as second and third most important hiring channel

Table 7 - 13

First, Second, Third, and Fourth Most Important Recruitment Channels Used by Survey Establishments for Professional and Technical Workers -- Bay Area Employer Policy Survey, 1967

Most important recruitment channel	First	Second	Third	Fourth
All establishments[a]				
Number	251	149	115	50
Per cent	100.0	100.0	100.0	100.0
Direct hiring	15.5	16.1	12.2	10.0
Private employment agencies	20.7	8.0	16.5	6.0
California Department of Employment		4.0	7.0	10.0
School or college placement services	14.3	13.4	12.2	22.0
Unions	1.6			
Recommendations of own employees	4.8	9.4	7.0	20.0
Newspaper advertising	12.3	24.2	20.0	8.0
Trade or professional journals	4.4	5.4	13.9	16.0
From within	10.0	10.1	6.0	
Professional or management associations	2.8	2.7		
Referrals from clients, suppliers, and associates	1.2	2.7		
Transfers	1.2			
Headquarters or divisional employment office	3.2			
Civil service lists	4.0			
Other	4.0	4.0	5.2	8.0

[a]All establishments exclude 44 that do not employ professional workers and 14 not providing information. The total diminishes successively as the number reporting second and subsequent channels decreases.

for managerial workers. As the fourth most important channel, newspaper advertising received equal mention with private employment agencies (Table 7-14).

First most important hiring channel for managerial workers by major industry group was as follows:

All major industry groups.....From within

The largest percentage of responses (40 per cent) named private employment agencies the first most important means of hiring clerical workers. These were followed by smaller percentages mentioning direct hiring or the California Department of Employment as the most important source. The status of second, third, and fourth most important hiring channel for clerical workers was conferred on the public employment service (Table 7-15), although obviously different establishments were involved in mentioning this source in each of the responses.

The first most important hiring channels for clerical workers by major industry group were as follows:

All major industry groups.....Private employment agencies except government
Government.....Civil service

Direct hiring was named first choice as the most important channel for sales workers (24 per cent) followed by promotion from within and private employment agencies. Direct hiring was also considered the second most important channel by the largest proportion of respondents. Private employment agencies and newspaper advertising tied for third most important channel and an accumulation of small numbers of various choices accounted for fourth place (Table 7-16).

The first most important hiring channels for sales workers by major industry group were as follows:

Construction.....Direct hiring
Durable goods manufacturing.....Direct hiring
Nondurable goods manufacturing....Direct hiring
Transportation industries.....From within
Wholesale trade.....Recommendations of own employees
Retail trade.....Direct hiring
Finance industries.....Equally - from within and newspaper advertising
Services.....Direct hiring

Relatively the largest number of employers thought unions (43 per cent) the chief hiring channel for skilled workers, followed by, but with considerably less relative frequency, newspaper advertising or promotion from within. Choice as second most important channel went to the California Department of Employment; third most important, to direct hiring; and fourth, to newspaper advertising (Table 7-17).

The first most important hiring channels for skilled workers by major

Table 7 - 14

First, Second, Third, and Fourth Most Important Recruitment Channels Used by Survey Establishments for Managerial Workers -- Bay Area Employer Policy Survey, 1967

Most important recruitment channel	First	Second	Third	Fourth
All establishments[a]				
Number	302	153	79	31
Per cent	100.0	100.0	100.0	100.0
Direct hiring	5.6	12.4	11.4	16.1
Private employment agencies	5.6	15.6	11.4	19.4
California Department of Employment		2.0	7.6	12.9
School or college placement services	1.7	6.5	15.2	
Recommendations of own employees	1.0	11.1		
Newspaper advertising	2.7	18.3	26.6	19.4
Trade or professional journals	2.0	4.6	13.9	
From within	72.4	15.6	3.8	9.6
Professional or management associations	1.3	2.0	3.8	
Referrals from clients, suppliers, and associates	1.3	2.0		
Personal contacts, unspecified		2.0		
Transfers	2.0	2.0		
Civil service lists	1.7			
Other	2.7	5.9	6.3	22.6

[a]All establishments exclude 7 not providing information. The total diminishes successively as the number reporting second and subsequent channels decreases.

Table 7 - 15

First, Second, Third, and Fourth Most Important Recruitment Channels Used by Survey Establishments for Clerical Workers -- Bay Area Employer Policy Survey, 1967

Most important recruitment channel	First	Second	Third	Fourth
All establishments[a]				
Number	304	217	135	63
Per cent	100.0	100.0	100.0	100.0
Direct hiring	15.8	10.1	19.3	12.7
Private employment agencies	40.5	20.7	19.3	12.7
California Department of Employment	15.5	31.8	20.7	27.0
School or college placement services	1.0	2.3	5.2	6.3
Unions	4.9	1.4	12.6	
Recommendations of own employees	3.6	10.2	11.8	22.2
Newspaper advertising	11.8	15.7	8.1	9.5
From within	1.6	4.6	3.0	4.8
Headquarters or divisional employment office	1.3			
Civil service lists	3.3			
Other	.7	3.2		4.8

[a]All establishments exclude 5 not providing information. The total diminishes successively as the number reporting second and subsequent channels decreases.

Table 7 - 16

First, Second, Third, and Fourth Most Important Recruitment Channels Used by Survey Establishments for Sales Workers -- Bay Area Employer Policy Survey, 1967

Most important recruitment channel	First	Second	Third	Fourth
All establishments[a]				
Number	166	79	48	23
Per cent	100.0	100.0	100.0	100.0
Direct hiring	23.6	20.2	14.6	
Private employment agencies	13.3	17.7	18.8	
California Department of Employment	4.2	11.4	12.5	
School or college placement services	2.4		12.5	
Unions	6.6	7.6		
Recommendations of own employees	6.0	12.7	6.2	34.8
Newspaper advertising	10.8	13.9	18.8	21.7
Trade or professional journals		3.8	6.2	
From within	21.7	5.1	6.2	
Referrals from clients, suppliers, and associates	4.8			
"Word of mouth"	2.4			
Transfers	1.2			
Other	3.0	7.6	4.2	43.5

[a]All establishments exclude 128 that do not employ sales workers and 15 not providing information. The total diminishes successively as the number reporting second and subsequent channels decreases.

Table 7 - 17

First, Second, Third, and Fourth Most Important Recruitment Channels Used by Survey Establishments for Skilled Workers -- Bay Area Employer Policy Survey, 1967

Most important recruitment channel	First	Second	Third	Fourth
All establishments[a]				
Number	247	117	64	26
Per cent	100.0	100.0	100.0	100.0
Direct hiring	10.9	21.4	25.0	15.4
Private employment agencies	3.6	7.7		15.4
California Department of Employment	8.1	22.2	21.8	
Unions	42.8	9.4	12.5	
Recommendations of own employees	3.6	11.1	14.1	19.2
Newspaper advertising	11.7	17.1	14.1	26.9
From within	11.3	7.7	4.7	
Recalls	2.0			
Civil service lists	3.2			
Other	2.8	3.4	7.8	23.1

[a]All establishments exclude 59 that do not employ skilled workers and 3 not providing information. The total diminishes successively as the number reporting second and subsequent channels decreases.

industry group were as follows:

All major industry groups except durable goods manufacturing and government.....Unions
Durable goods manufacturing.....Equally - unions and from within
Government.....Civil service

Unions were believed to be the first most important recruitment channel (45 per cent) for semiskilled workers by the largest proportion of our respondents, followed by direct hiring and by promotion from within. Direct hiring was selected as the second and third most important channels by proportionately most of the respondents. Meanwhile, the California Department of Employment was considered the fourth most important hiring channel for these workers (Table 7-18).

The first most important hiring channels for semiskilled workers by major industry group were as follows:

All major industry groups except government.....Unions
Government.....Newspaper advertising

Relatively most of the respondents believed unions the first most important hiring channel (41 per cent) for unskilled workers followed by direct hiring and the California Department of Employment for first place. Selection as second and third most important channels went also to the Department while the recommendations of own employees received the greatest weight in the choice of fourth most important channel (Table 7-19), after discounting the "other" category.

The first most important hiring channels for unskilled workers by major industry group were as follows:

Construction.....Union
Durable goods manufacturing.....Direct hiring
Nondurable goods manufacturing....Union
Transportation industries.....Union
Wholesale trade.....Union
Retail trade.....Union
Services.....California Department of Employment
Government.....Civil service

The largest proportion of respondents (33 per cent) thought direct hiring the major recruitment channel for service workers, followed by an almost equal proportion believing unions first most important, and a considerably smaller number, relatively, favoring the California Department of Employment. The top spot, however, for second and third most important recruitment channels was won by the California Department of Employment. If the miscellany of "other channels" is excluded, the Department tied for fourth most important channel with the recommendations of own employees (Table 7-20).

The first most important hiring channels for service workers by major

Table 7 - 18

First, Second, Third, and Fourth Most Important Recruitment Channels Used by Survey Establishments for Semiskilled Workers -- Bay Area Employer Policy Survey, 1967

Most important recruitment channel	First	Second	Third	Fourth
All establishments[a]				
Number	239	109	66	28
Per cent	100.0	100.0	100.0	100.0
Direct hiring	14.2	28.5	27.2	
Private employment agencies	1.7	5.5		10.7
California Department of Employment	9.2	20.2	22.7	32.1
Unions	44.8	6.4	6.1	
Recommendations of own employees	1.7	11.9	18.2	25.0
Newspaper advertising	7.1	11.9	10.6	14.3
From within	13.4	11.0	7.6	
Recalls	5.4			
Civil service lists	2.1			
Other	0.4	4.6	7.6	17.9

[a]All establishments exclude 66 that do not employ semiskilled workers and 4 not providing information. The total diminishes successively as the number reporting second and subsequent channels decreases.

Table 7 - 19

First, Second, Third, and Fourth Most Important Recruitment Channels Used by Survey Establishments for Unskilled Workers -- Bay Area Employer Policy Survey, 1967

Most important recruitment channel	First	Second	Third	Fourth
All establishments[a]				
Number	244	118	61	22
Per cent	100.0	100.0	100.0	100.0
Direct hiring	24.2	26.3	21.3	13.6
Private employment agencies	2.0	3.4		
California Department of Employment	17.6	28.9	26.3	13.6
Unions	40.6	5.9	9.8	
Recommendations of own employees	2.9	17.0	21.3	27.3
Newspaper advertising	4.9	11.0	8.2	13.6
Recalls	3.7	2.5		
Minority interest groups		2.5		
Civil service lists	2.9			
Other	1.2	2.5	13.1	31.9

[a]All establishments exclude 61 that do not employ unskilled workers and 4 not providing information. The total diminishes successively as the number reporting second and subsequent channels decreases.

for which standards are relatively rigid, was indicated as of considerly smaller significance than changes in recruitment practices. Moreover, a number of these types of responses would have required changes in collective bargaining agreements.

After skilled workers, in order of the number of actions taken to resolve recruitment difficulties, were workers for semiskilled, managerial, unskilled, service, and sales jobs. Despite the, perhaps, surprising succession of occupational groups indicated by this sequence, it is likely that their order of listing has real significance as to the comparative difficulties, by occupation, the survey establishments encountered in obtaining adequate numbers of workers. The fact that difficulties attending recruitment of the relatively homogeneous group of industrial-type workers followed their descending skill levels in diminishing incidence is persuasive. However, a relatively small frequency of actions taken to recruit workers in a given occupation can indicate something quite otherwise than the lower skill level and, hence, greater availability of workers in all of the specific occupations to be found in that major occupational group.

The smaller relative frequency of actions to recruit managerial workers than might have been expected probably reflects no more than the almost total reliance on promotion-from-within to obtain them that was expressed by most of the respondents. The relatively small proportion of actions taken to recruit service workers is the product of two situations. Employers who were recruiting workers in service occupations for which little skill was required, like employers of unskilled workers, reported relatively few actions. Employers of workers in service occupations that are particularly difficult to fill such as police officers, did, indeed, report actions to fill their job vacancies, but employers of this type were relatively few.

An analogous situation existed as to sales occupations. Relatively few employers in retail trade in which the great majority of sales workers are employed reported actions to increase the <u>number</u> of such workers available to them. In retailing, job opportunities can frequently be filled by workers with little work experience and even by part-time jobholders. Hence, many of these employers were experiencing little difficulty as to the number of workers available for sales jobs although they often expressed concern as to the qualifications of the applicants. But those employers, relatively few in number, who were encountering difficulties in recruiting sales representatives with highly specialized training and work experience did report recruitment problems and the steps undertaken to resolve these problems. Some of the respondents who reported such actions were from retail trade, and they were looking for workers who could handle special lines. But others were from wholesale trade and even from manufacturing and the finance industries where jobs in sales occupations can be as difficult to fill as those in professional and technical occupations.

<u>Critical recruitment difficulties</u>. Next, we restricted our inquiry concerning recruitment difficulties to problems of critical importance to the continued operation of the survey establishment under optimum conditions. We asked, "Have you ever found recruitment so difficult you were unable to expand production or services for lack of workers available to you?"

Of the 196 survey employers who had originally reported difficulties in obtaining the number of workers they needed, only 31 acknowledged problems of this intensity and described their situations in some detail.

These employers represented a widely dispersed variety of industries, and within these industries, concentrations in any particular activity were but little marked. Only the following industries were represented by more than a single respondent's description: fabricated metals and construction, where contract deadlines or seasonal factors can provoke recruitment problems of especial intensity; primary metals, nonelectrical machinery; long-line trucking; medical services; and police work.

With this variety of activities involved it followed, of course, that the recruitment problems alluded to had arisen from an inability to find adequate numbers of workers in a wide spread of jobs. In all, 42 specific occupations were reflected in the 31 situations where it was claimed that an expansion of production or services was prevented for lack of workers.

About a third of all worker shortages of this intensity reflected unfilled needs for professional, technical, and managerial workers. Most numerously represented among this group were engineers of various types, followed at some distance by medical technicians.

Next in number of occupations mentioned were skilled worker classifications, accounting for about a fourth of all the occupations named in which a shortage of available workers had hindered expansion. The metal trades, largely machinists, constituted the majority of all skilled jobs mentioned. Next in order of importance was the semiskilled group, in which the shortage jobs mentioned were scattered throughout a variety of machine operator classifications. Service occupations accounted for a little more than 10 per cent of the total jobs named, with police officers most significantly represented. Single entries for clerical and unskilled workers reflected unusual situations, in which the speed with which the needed workers could be obtained had been the crucial factor rather than their availability.

The 31 respondents who described recruitment problems of serious enough proportions to impede their expansion of production were asked, "Can you indicate the steps taken to solve the recruitment difficulty of this intensity?" (Table 7-23)

The number of actions described by the small group concerned was evidence enough of the seriousness with which the survey establishments viewed their difficulties. The second "action" most frequently named affords some explanation -- namely, "delayed deliveries, rescheduled, turned away work." However, most prominence was given to a generally stepped-up training program, followed by offers of increased wages in the shortage occupations, subcontracting, various types of reorganization and mechanization to increase the productivity of the existing staff, and yet other types of actions.

Two-thirds of the employers mentioning that the above steps were taken to resolve or to mitigate a recruitment problem of especial intensity did not include wage increases among the actions taken. These respondents were asked if they would have preferred raising wages "instead of or in addition to the

Table 7 - 23

Kinds of Actions Taken by Survey Establishment to Resolve Recruiting Difficulties so Intense that Production or Services Could Not Be Expanded -- Bay Area Employer Policy Survey, 1967

Kinds of action taken	All responses
All responses[a]	
Number	104
Per cent	100.0
Generally stepped-up training program	14.5
Delayed deliveries, rescheduled or turned away work	12.5
Increased wages in shortage occupations	11.5
Subcontracted work	10.6
Reorganized duties of jobs and assigned simpler tasks	9.6
Reorganized work so same volume of output could be achieved with fewer workers	9.6
Increased investment in laborsaving equipment	7.7
Gave priorities to preferred customers	6.7
Diverted orders to other units of organization	3.8
Increased use of part-time workers substantially	2.0
Other steps	10.6

[a]The total excludes employers that did not report difficulties so intense as to limit expansions and employers that did not provide information. The number of actions taken substantially exceeds the number of employers reporting as several actions were usually taken by the 31 employers encountering difficulties of this intensity.

steps which were taken." Only a small fraction of these respondents answered affirmatively. In response to a further inquiry as to why they had not done so, the majority reported they were prevented from doing so by civil service regulations; while those remaining said they were prohibited from this action by union contract or had avoided such action because wages would then have had to be raised for all other workers.

Needs and sources of labor market information for recruitment. After so great an emphasis on recruitment practices and problems, it appeared quite logical to ask concerning the types of labor market information needed by the respondents when "deciding to recruit workers" and in "planning (their) recruitment efforts."

Five types of information were listed for the respondents' consideration, categories by means of which are commonly classified that extensive body of facts and figures, analyses, projections, general descriptive materials, as well as "guesstimates" and hunches existing as of any one time to describe the state of the labor market. That these categories were less than perfectly applied appears clear from the overlaps existing between responses given in connection with the prelisted types of information and replies volunteered subsequently, naming "other" types of information.

Of the 309 respondents queried concerning their need for labor market information, 23 replied that they needed none of the types that were listed. Even this small number of negative responses as to the need for information was likely overstated. Some employers mentioned it was so long since they had recruited workers in any number it would not be appropriate for them to answer. Others reacted to what was possibly an overblown phrasing of the question to remark they could not speak of "planning their recruitment efforts" as they sought, at most, for one or two workers at a time.

Of the 286 survey employers, however, who did express a need for one or more types of labor market information in connection with their recruitment, the largest proportion mentioned the need for data on current wage rates (Table 7-24). Of all responses given relating to a specific type of information, about 40 per cent reflected this need.

Next in order of relative importance was the need for a type of comparatively detailed information, namely information concerning labor demand-supply relationships in specific occupations. Requirements listed for information concerning the labor market in areas other than the Bay Area and for a more general type of information as to trends in that area and in California were responses that occurred with about the same relative frequency. The shifting qualification standards operative for specific occupations in response either to altering labor demand-supply relationships or to changing job demands occupied last place in the list of informational needs.

Relatively the largest need for wage rate information expressed by respondents in any major industry group appeared in responses from the finance group of industries. Many of these establishments in their wage administration placed heavy reliance on a continuing and comprehensive review of the rates paid by competing establishments (and by other industries for the occupational rates under review). Although this same practice is common in

Table 7 - 24

Types of Labor Market Information Needed in Planning Recruitment Efforts by Major Industry Group -- Bay Area Employer Policy Survey, 1967
(Types as prelisted by interviewer)

Types of labor market information needed	All industries	Major industry group: Mining and construction	Durable goods	Non-durable goods	Transportation and utilities	Wholesale trade	Retail trade	Finance, insurance and real estate	Services	Government
All types of information[a]										
Number	424	30	101	83	27	14	26	38	51	54
Per cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Current wage rates	38.3	33.3	31.7	37.3	37.0	42.9*	57.8	60.4	39.2	27.7
Labor demand/supply developments in specific occupations	20.0	20.0	20.8	21.7	22.3	14.3*	11.5	15.9	19.6	24.1
Information concerning comparative adquacy of labor in various geographic areas	16.7	20.0	16.8	15.7	18.5	21.4*	11.5	7.9	19.6	20.4
General employment trends in this state and the Bay Area	16.5	16.7	20.8	19.3	18.5	14.3*	11.5	7.9	11.8	16.7
Modifications in qualification standards for specific occupations	8.5	10.0	9.9	6.0	3.7	7.1*	7.7	7.9	9.8	11.1

[a]The total excludes employers that did not require any of the listed types of labor market information. The total exceeds the number of employers reporting as some employers reported more than one type of labor market information.

*Percentages based on fewer than 15 cases.

government, it was not so greatly reflected by our respondents -- presumably because the decisions arrived at, although often by the same process, had been made at another level or by another agency. Employers in trade, some of them members of employer groups placing much emphasis on a study of comparative rates, and others concerned individually with remaining "in the forefront" also placed much emphasis on this type of information.

A requirement for information concerning labor demand-supply developments in specific occupations found above average frequency of expression by employers from government and manufacturing. The need for this type of information was usually related to the existence of labor shortages in needed occupations.

The above average requirement for reports concerning labor shortages or surpluses in other areas, as reflected in the replies of respondents from government, wholesale trade, services, durable goods manufacturing, and construtions was of several origins. Only in some instances was this reply related to out-of-area recruitment for workers to staff Bay Area enterprises; in others it reflected Bay Area headquarters concern with the recruitment difficulties of branches or subsidiaries in other localities. This requirement sometimes reflected needs for advance information about some distant labor market when Bay Area establishments planned to engage in construction or to render contract services outside of the home area. Also represented in this category of informational need were those respondents seeking out labor surplus areas in order to receive favorable consideration in the allocation of defense contracts.

Differences between relatively light or heavy manifestations of interest in general employment trend information are difficult to interpret on the basis of major industry groups. The response that this type of information was needed appeared to bear more relation to the sophistication with which recruitment efforts were planned or to the sensitivity of the individual respondents to changes in business conditions, of which changing employment trends are one indicator, than to any other factors observed. The interest, too, in information bearing on changing job requirements appeared to reflect a greater sophistication in planning for recruitment. However, this interest was not evidenced by the largest establishments where the more detailed requirements of those involved in such planning were probably less familiar to our respondents.

Needs for labor market information when viewed in the perspective of the survey establishments' numbers of employees indicated the existence of some fairly direct and consistent relationships, although not without several exceptions.

A third of the respondents who had stated they felt no need whatever for labor market information in planning their recruitment efforts represented establishments having fewer than 250 workers. Almost all of the remainder saying they did not need such information represented establishments with from 250 to 1,000 employees. Consequently, it is no surprise to find a rather moderate need expressed for most types of labor market information by establishments in the smallest size class. Respondents from the smallest establishments, however, gave great relative weight to wage information. In fact, respondents from establishments having fewer than 250 employees ascribed greater relative importance to these data than did establishments in any other size group.

At the opposite end of the scale, the largest employers, as reflected by the relative frequency of their responses, departed most significantly from the general average in the importance they attached to more general types of information as contrasted with such specific information as that on wage rates or specific occupations. This more general information included reports relating to labor demand-supply developments in other areas and to the general employment trends characterizing California and the Bay Area. Such emphasis in their responses is quite likely related in varying degrees to the broader scope of large enterprises. Also, it probably reflects the greater distance of the respondents we questioned from the day-to-day details of recruitment planning than that of executives in smaller establishments.

After the respondents were questioned as to the above prelisted categories of labor market information, we asked them to volunteer mention of any other types of information they believed required for recruitment (Table 7-26).

Some of the types of information volunteered could readily be added as additional votes for types of information concerning which we had earlier questioned the employer in less specific terms. Among such needs were "knowledge of geographic location where specific skills or labor surpluses are to be found" and "knowledge of impending layoffs or expansions in other establishments" (with the clear implication that out-of-area establishments were meant). Together, these responses accounted for more than 40 per cent of the types of information volunteered as needed.

Two types of needed information receiving significant mention could possibly be subsumed under "labor demand-supply developments in specific occupations," at least if the developments were qualified as anticipated. However, "knowledge of anticipated number of college graduates by disciplines and by availability," and "knowledge of the existing and planned curricula in the colleges," together representing a quarter of the responses, do reflect a more specialized type of information some respondents believed seriously lacking, particularly in consolidated form and for the local area. Remaining types of information suggested by the respondents arose from problems of understanding and communication within the establishment itself and might not be regarded as labor market information by the purist. These responses included "definitive and more complete job descriptions for internal use" and "better knowledge of the needs of the establishment for specified kinds of workers."

Following the opportunity given the respondents to specify any and all types of information they required for successful recruitment, we asked, "what specific sources within your establishment or outside do you find useful in providing needed information?" (Table 7-27)

Of the total, 231 respondents listed 355 sources of information they had found useful. More than one-third of the sources named represented an "informal or formal exchange of information within professional or trade associations" and contacts with various specified employer and management groups. Over a fifth of the sources listed were government in origin, representing contacts either with persons or reports connected with the United States Department of Labor, the California Department of Employment, the State Personnel Board, and school and college placement offices. A miscellany of other sources, some

Table 7 - 25

Types of Labor Market Information Needed in Planning Recruitment Efforts by Number of Employees -- Bay Area Employer Policy Survey, 1967

(Types as prelisted by interviewer)

Types of labor market information needed	All sizes	Employment size						
		Under 250	250 and under 500	500 and under 1,000	1,000 and under 2,000	2,000 and under 3,000	3,000 and under 5,000	5,000 and over
All types of information[a]								
Number	424	117	106	75	58	29	13	26
Per cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Current wage rates	38.3	48.8	36.8	34.7	34.5	34.6	23.2*	26.9
Labor demand/supply developments in specific occupations	20.0	17.9	19.8	21.3	20.7	24.1	23.1*	19.2
Information concerning comparative adequacy of labor in various geographic areas	16.7	14.5	15.1	17.3	22.4	13.8	15.3*	23.1
General employment trends in this state and the Bay Area	16.5	17.1	17.0	14.7	13.8	17.2	15.3*	23.1
Modifications in qualification standards for specific occupations	8.5	1.7	11.3	12.0	8.6	10.3	23.1*	7.7

[a]The total excludes employers that did not require any of the listed types of labor market information. The total exceeds the number of employers reporting as some employers reported more than one type of labor market information.

*Percentages based on fewer than 15 cases or not computed because of the small number of cases.

Table 7 - 26

Other Types of Labor Market Information
Required for Recruitment --
Bay Area Employer Policy Survey, 1967

(Other types as suggested by survey establishments)

Types of labor market information suggested	All responses
All establishments[a]	
Number	49
Per cent	100.0
Knowledge of geographic location where specific skills or labor surpluses are to be found	24.5
Knowledge of anticipated number of college graduates by disciplines and by availability	18.4
Knowledge of impending layoffs or expansions in other establishments	14.3
Definitive and more complete job description for internal use	10.2
Better knowledge of the needs of the establishment for specific kinds of workers	6.1
Knowledge of the existing and planned curricula in the colleges	6.1
Other types of information	20.4

[a]The total excludes employers that did not provide information.

Table 7 - 27

Sources of Labor Market Information Found Useful in Recruitment -- Bay Area Employer Policy Survey, 1967

Sources of labor market information	All responses
All responses[a]	
Number	355
Per cent	100.0
Informal or formal exchange of information within professional or trade associations	21.4
United States Department of Labor	11.3
California State Department of Employment	11.0
Federated Employers of the Bay Area	10.4
Informal exchange of information with managers and officials having related responsibilities in other organizations	9.3
Headquarters of the establishment	5.9
Information from own employees	4.8
Informal exchange of information with suppliers, retained advisors, customers, and/or clients	3.7
Private employment agencies	3.1
California State Personnel Board	2.5
United Employers, California Metal Trades Association, and/or Western Electronics Manufacturers' Association	2.5
American Management Association	2.0
School and college placement offices	2.0
Internal research of the establishment, based on recruitment experience	1.4
Labor unions	1.1
Chambers of Commerce	0.8
Other specific sources of information	6.8

[a] The total excludes employers that did not provide information. The total number of responses exceeds the number of employers reporting as some employers reported more than one source of labor market information.

of more importance in certain industries than in others (such as the importance of information from vendors to establishments in trade), rounded out the list of sources.

Reasons for recruitment success. Before leaving the subject of recruitment with its several practices, many problems, and various adaptations to these problems, it seemed only fitting to ask the respondents how they viewed the success, or lack of success, attending their efforts. They were asked, therefore, to select one of three characterizations as best describing the results of their recruitment, namely:

> Customarily attract far more qualified applicants than needed for satisfactory selection -- a characterization selected by 48 respondents
>
> Customarily a fair balance exists between the number of qualified job applicants and the number of job vacancies -- selected by 185
>
> Customarily fewer qualified applicants are attracted than will permit satisfactory selection -- selected by 74

Next, the respondents were asked what they believed to be the main reason for their experience (Table 7-28).

A majority of respondents with the pleasant task of relating the top degree of recruitment success to its cause, ascribed their success to reasons relating to their "kind" of establishment. Chief among such reasons were the "good reputation" of the establishment, and the fact that the work was "glamorous" or "interesting." The second most important category of reasons advanced by these respondents related to the environment of the establishment. Because of the "attractiveness of the Bay Area," they commented, there was available to them a "good quality of labor" or an "adequate supply of labor" -- the exact phrasing of the answer depending on whether they stressed quality or quantity of job applicants in appraising the degree to which their needs were satisfied. Reasons related to the establishment's working conditions, including wages and other benefits, received least emphasis.

An intermediate degree of recruitment success (Table 7-29) was relatively more often ascribed to the establishments' environment than to the type of establishment itself as had been the judgment of the more fortunate employers. Again, in describing this environment, respondents gave great weight to the attractiveness of the area as a place to live. This group of respondents who reported only middling, though a satisfactory degree of success, in commenting on working conditions laid claim more often to paying prevailing wage rates and having average fringe benefits than that these were higher than usually prevailed. The reverse or higher than the prevailing level of wages and benefits had been reported by those employers stating their recruitment was more than ordinarily successful. This second group of respondents also placed less emphasis on reasons relating to type of establishment than had their more successful competitors. Moreover, the largest proportion among them to be found in any of the three groups of employers was unable to explain their intermediate degree of recruitment success where the number of job seekers no better than balanced the number of job opportunities that opened.

Table 7 - 28

Reasons for Degree of Recruitment Success[a] in Survey Establishments' Customarily Attracting Far More Applicants Than Needed--
Bay Area Employer Policy Survey, 1967

Reasons	All responses
All responses	
Number	48
Per cent	100.0
Reasons relating to type of establishment	37.6
Good reputation of establishment	25.1
Glamorous or interesting industry or activity	8.3
Other reasons relating favorably to establishment	4.2
Reasons relating to environment of establishment	29.1
Good quality of labor or adequate supply of labor because of attractiveness of Bay Area	16.7
Bay Area provides good sources of recruitment	6.2
Other reasons relating favorably to environment	6.2
Reasons relating to establishment's working conditions	27.0
Establishment provides higher than prevailing wages and/or fringe benefits	12.5
Establishment provides prevailing wages and/or fringe benefits	6.2
Other reasons relating favorably to working conditions	8.3
Other favorable reasons not in above categories	2.1

[a]"Degree of recruitment success" should be interpreted as characterizing the establishment's experience for most workers most of the time. Respondents were questioned as follows: "How would you classify the success of your recruitment efforts for occupations other than those chronically in short supply?"

[b]Of the 307 establishments that reported their degree of recruitment success 48 gave reasons to account for the above recruitment experience.

Table 7 - 29

Reasons for Degree of Recruitment Success[a] in Survey Establishments' Customarily Experiencing a Fair Balance Between Applicants and Job Vacancies -- Bay Area Employer Policy Survey, 1967

Reasons	All responses
All responses[b]	
Number	185
Per cent	100.0
Reasons relating to environment of establishment	34.7
Good qualify of labor and adequacy of available labor supply because of expansion and attractiveness of Bay Area	22.3
Desirable neighborhood	3.8
Bay Area provides good sources of recruitment	3.2
Other reasons relating favorably to environment	5.4
Reasons relating to establishment's working conditions	25.3
Establishment provides prevailing wages and/or fringe benefits	8.6
Good company policies in regard to working conditions	5.9
Establishment provides higher than prevailing wages and/or fringe benefits	3.8
Other reasons relating favorably to working conditions	7.0
Reasons relating to type of establishment	24.9
Good reputation of establishment	11.4
Long-established organization	4.3
Efficient and/or aggressive recruitment efforts	4.3
Other reasons relating favorably to establishments	4.9
Reasons not provided	15.1

[a] "Degree of recruitment success" should be interpreted as characterizing the establishment's experience for most workers most of the time. Respondents were questioned as follows: "How would you classify the success of your recruitment efforts for occupations other than those chronically in short supply?"

[b] Of the 307 establishments that reported their degree of recruitment success 185 gave reasons to account for the above recruitment experience.

To a relatively much greater extent than either of the other two groups of respondents, those employers who attracted fewer applicants than were needed for satisfactory selection (Table 7-30) ascribed the results of their recruitment to the environment of their establishments. They described this environment as one in which the "supply of workers of the calibre needed was inadequate" as was also the "number of available workers in the needed occupations." Reasons given by the respondents relating to type of establishment tended to describe the work as "not glamorous or interesting" and to mention unfavorably "the effects of union hiring restrictions." Reasons related to working conditions were relatively few but those mentioned reflected unfavorably on the establishment.

Whatever the difficulties of the respondents in stating the reasons for their relative recruitment success, their uncertainties were scarcely greater than those which emerge when attempts are made to relate, more objectively, these degrees of success with variables that might appear determining. Against establishing any precise degree of correlation are, of course, certain very individual biases of temperament and judgment. A labor demand-supply situation that one employer sees as a "fair balance" another will characterize as "reaching the bottom of the barrel." It is difficult, also, to determine the root causes of why an establishment should be known as a "good place to work" (a characterization that was made without much consistency as to industry or size of establishment). This is particularly true when an employer will aver he is unable to explain his own firm's success in attracting workers and enjoying little turnover in view of its "low wage rates, unattractive premises, and high pressure work schedules -- except for the fact that it is known as a 'good place to work'."

A consideration of degree of recruitment success by major industry group of the establishment finds a higher than average relative incidence of employers who attract more qualified applicants than needed for satisfactory selection in construction, the transportation industries, wholesale trade, retail trade, and government. These favorable estimates of recruitment success are coupled with smaller than average proportions of respondents reporting less than satisfactory numbers of applicants in the major industry groups: construction, wholesale trade, and government. These three constitute a strange assortment of industry groups when bracketed together yet each is more homogeneous internally as to policies and practices than are most major industry groups.

In contrast and as an example it could be said of the transportation group of industries (where there were relatively many reports of attracting a surplus of applicants) that this group includes the airlines and that "glamorous" work was a significant reason for recruitment success. However, this industry (where more than the average number of respondents reported a deficit of job applicants) includes scavenger companies where the work is "not glamorous" and steamship lines which, since Vietnam, have suffered serious shortages of licensed personnel.

Reference to degree of recruitment success in terms of numbers of employees indicates little that is striking except that the middle group of establishments, of from 500 to 1,000 workers, contained a substantially above average proportion of respondents reporting that they attracted more applicants

Table 7 - 30

Reasons for Degree of Recruitment Success[a] in Survey Establishments' Customarily Attracting Fewer Applicants Than Needed for Proper Selection --
Bay Area Employer Policy Survey, 1967

Reasons	All responses
All responses[b]	
Number	74
Per cent	100.0
Reasons relating to environment of establishment	75.6
Inadequate supply of workers of calibre needed	40.4
Inadequate supply of workers in occupations where job vacancies exist	24.3
Undesirable neighborhood	4.1
Other reasons relating unfavorably to environment	6.8
Reasons relating to type of establishment	13.5
Not a "glamorous" or interesting industry or activity	5.4
Union hiring restrictions	5.4
Other reasons relating unfavorably to establishment	2.7
Reasons relating to establishment's working conditions	6.8
Reasons relating unfavorably to working conditions	6.8
Other unfavorable reasons not in above categories	2.7
Reasons not provided	1.4

[a]"Degree of recruitment success" should be interpreted as characterizing the establishment's experience for most workers most of the time. Respondents were questioned as follows: "How would you classify the success of your recruitment efforts for occupations other than those chronically in short supply?"

[b]Of the 307 establishments that reported their degree of recruitment success 74 gave reasons to account for the above recruitment experience.

Table 7 - 31

Degree of Recruitment Success in Survey Establishments by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Major industry group	Total		Success of recruitment		
	Number	Per cent	Attract far more qualified applicants than needed	Fair balance exists between applicants and vacancies	Fewer qualified applicants are attracted for selection
All establishments[a]	307	100.0	15.6	60.3	24.1
Mining and construction	25	100.0	16.0	72.0	12.0
Durable goods	56	100.0	14.3	60.7	25.0
Nondurable goods	62	100.0	8.1	64.5	27.4
Transportation and utilities	27	100.0	18.5	44.5	37.0
Wholesale trade	13	100.0	23.1*	69.2*	7.7*
Retail trade	33	100.0	18.2	54.5	27.3
Finance, insurance, and real estate	25	100.0	12.0	56.0	32.0
Services	36	100.0	11.1	72.2	16.7
Government	30	100.0	33.3	46.7	20.0

[a]The total excludes employers that did not provide information.

*Percentages based on fewer than 15 cases.

than they needed, coupled with below average expressions of labor stringencies. Up to establishments of 3,000 employees, relatively large proportions of respondents reported attracting surpluses of applicants though the propensity to experience deficits also climbed with increasing size of work force. Beyond the 3,000 employee mark, there were no reports of attracting more applicants than needed, a situation that is understandable although difficult to reconcile, with the nearly similar absence of applicant surpluses reported by employers in the 250 to 500 employment size class -- if size of establishment is assumed to be the determining factor involved.

In fact, aside from a positive though possibly not statistically significant relationship between the existence of a personnel department and an establishment's degree of recruitment success, our data provide little measurable evidence, at this level of generality, to explain the reasons for recruitment success. Observation suggests that the specific industry of the employer, not the major industry group, is an important determinant of such success. A commonality of industry does imply certain similarities as to recruitment practices, wage rates, occupational structure, and reactions to the impact of external labor market conditions that, taken together, serve to promote at the least, similarities in recruitment experience.

However, not even that degree of industry detail which will discriminate betwen the laundry and the law firm in the services major industry group can be expected to point up in strictly quantitative terms the essential characteristic of a "good place to work."

Table 7 - 32

Degree of Recruitment Success in Survey Establishments
by Number of Employees --
Bay Area Employer Policy Survey, 1967

Number of employees	Total		Success of recruitment		
	Number	Per cent	Attract far more qualified applicants than needed	Fair balance exists between applicants and vacancies	Fewer qualified applicants are attracted
All establishments[a]	307	100.0	15.6	60.3	24.1
Under 250	128	100.0	13.3	60.9	25.8
250 and under 500	73	100.0	8.2	71.3	20.5
500 and under 1,000	50	100.0	32.0	48.0	20.0
1,000 and under 2,000	28	100.0	21.4	53.6	25.0
2,000 and under 3,000	14	100.0	21.4*	50.0*	28.6*
3,000 and over	14	100.0		64.3*	35.7*

[a]The total excludes employers that did not provide information.

*Percentages based on fewer than 15 cases.

VIII. Selection Practices

Selection standards of Bay Area establishments. After our lengthy investigation of recruitment practices, we were persuaded that in a large metropolitan labor market the question, "how is a job filled?" is not easily answered; also, we were ready to pursue another inquiry: "how is the applicant selected?" The answer to this second question, as to the first, is the end product of a long series of policy decisions and the manner in which these are applied. To orient ourselves and the respondent to this range of policies, we asked a question of opinion at the outset. Essentially, we requested the respondent's evaluation of the net effect of these policies and practices, taken together, upon the standards followed by his establishment in hiring workers.

"How in your opinion," we asked, "do the establishment's qualifications standards for entry level jobs compare with those of other employers in this area engaged in similar work?"

A total of 103 survey establishments, in the opinion of their representatives, had generally higher selection standards than other local employers in similar activities. Only five believed their standards to be generally lower. The remaining 189 respondents thought their standards about the same as those of other employers in their industry. Next we asked those respondents who claimed standards were markedly different in their establishments, either higher (Table 8-1) or lower, to give the reason for this difference.

A small group could give no reasons. Of those who searched out a cause for standards they believed deviated from the general practice, the largest single group advanced a reason that might be considered a sort of "quid pro quo." The establishment paid higher than prevailing wages for comparable work; it therefore could well lay claim to and attract better than ordinarily qualified employees. This reason was followed, in the relative frequency with which it was advanced, by two others with equal proportions of adherents. One was concerned with promotion. Qualifications standards were higher because employees with promotional potential were needed to implement a promotion-from-within policy. The other reasons stressed the factor of availability; standards could be higher because the establishment's good name and reputation drew applicants from among whom workers of higher than average qualifications might be selected. Another reason, stated with less frequency, was, interestingly, that higher standards were imposed so that the establishment's reputation could be maintained. The reason to emerge in connection with training was that as the establishment had no training program it needed to hire better qualified workers. One reason that could but did not emerge at this stage of our questioning was that because the establishment did have a training program, workers who had the necessary capacity to be trainable were required. Although this reason was not stated, judging from comments at a later stage in our inquiry it appears to have been implied in at least some of the statements regarding promotion from within.

It should be mentioned at the outset that present in the very structure of our first question was a qualification that acted to elicit, almost unavoidably, at least some answers with a meaning we did not intend. We had asked how

Table 8 - 1

Reasons for Markedly Higher Qualifications Standards for Entry Level Jobs in Survey Esablishments as Compared with Standards of Other Bay Area Employers -- Bay Area Employer Policy Survey, 1967

Reasons	All responses
All establishments[a]	
Number	103
Per cent	100.0
Establishment pays higher than prevailing wages for comparable work	14.5
Needs employees with promotional potential to implement promotion-from-within policy	10.7
Reputation of establishment draws good people allowing choice of better qualified workers	10.7
Better quality of commodity produced or service given requires higher recruitment standards	9.6
To maintain reputation of establishment	5.8
Complexities of equipment, products, or processes with which employee is concerned	4.9
Needs accurate and careful workers	4.9
Needs technical or administrative expertise	3.9
Establishment's policy to have higher selection standards	3.9
No training program so establishment needs better qualified workers	2.9
Other reasons	11.7
Reasons not provided	16.5

[a]Includes those 103 establishments reporting their selection standards were markedly higher that gave reasons for difference or did not provide information to account for the difference.

the establishment's standards for entry level jobs compared with those of other Bay Area employers engaged in similar work? By similar work we meant in the same industry, thus hoping to uncover interindustry differences in selection qualifications. The question, with this thrust, was difficult in any event for "one-of-a-kind" or "few-of-a-kind" employers to answer. Further, it was difficult to construe unless considered in occupational terms. The respondent was likely to reflect, therefore, "how do my selection standards (and my wages) compare to those generally paid, at entry, to typist clerks, unskilled, laborers, or laboratory technicians?" -- rather than "how do these standards compare with those of my competitors engaged in the most closely similar activities?" Thus, there is some tendency for our data to reflect intraindustry as well as interindustry differences. And a substantially higher proportion of employers than justified could believe because they were, in fact, making intra-industry comparisons that their selection standards were more strict than those of their competitors in activities they dominated -- or in activities where standards were likely to be similar because of the leveling influence of union or civil service hiring. The very real differences that often permitted the larger employer to recruit at an advantage, however, also emerged to point up what were probably the chief interindustry differences that did exist.

A comparison of these responses in relation to the major industry group of the survey employers (Table 8-2) shows that respondents from wholesale trade, where general observation shows that employers often do pay the highest wages for "similar work," were most likely to believe their entry standards higher than those of their competitors. These respondents were followed, in terms of higher than average proportions of employers who believed their standards to be "markedly higher," by those in the transportation group, in which, for one thing, higher than average standards of physical fitness often were observed. Employers in services, also, had an above average tendency to reply affirmatively to this question. Some did so because of the highly technical nature of the services given by several of the services establishments in our group. Others replied affirmatively because of the "unique and personalized" stamp they were trying to attach to the quality of the services they offered. This same type of reasoning was apparent in the replies of some retail trade establishments whose desire it was to achieve an image of "high quality" in the public mind. Government employers, too, often thinking of the stringency of civil service qualifications standards as compared with less regulated types of hiring, saw their entry level standards as above average with relative frequency.

Meanwhile, only among respondents from construction and manufacturing, in which the influence of unions is often comparatively strong or working conditions less favorable, was less than the general average proportion of all survey employers likely to view selection standards as "generally higher" (or, conversely, more likely to see them as "about the same") (Table 8-2). And only in durable goods manufacturing and the transportation complex of industries do we find representatives of that very small group of employers who believed their standards generally lower.

The way in which respondents tended to view the qualifications standards their establishments imposed on job seekers appears to have been affected to some extent by the establishments' number of employees (Table 8-3). However, it was only in the smallest size group that a relatively small proportion of establishments judged their qualification standards to be comparatively high.

Table 8 - 2

Qualifications Standards for Entry Level Jobs of Survey Establishments Compared with Standards of Other Bay Area Employers by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Major industry group	Total		Qualification standards		
	Number	Per cent	Generally higher	About the same	Generally lower
All establishments[a]	297	100.0	34.7	63.6	1.7
Mining and construction	24	100.0	29.2	70.8	
Durable goods	55	100.0	21.8	70.9	7.3
Nondurable goods	59	100.0	22.0	78.0	
Transportation, etc.	26	100.0	50.0	46.2	3.8
Wholesale trade	12	100.0	58.3*	41.7*	
Retail trade	33	100.0	42.4	57.6	
Finance, insurance, and real estate	24	100.0	41.7	58.3	
Services	34	100.0	44.1	55.9	
Government	30	100.0	40.0	60.0	

*Percentages based on fewer than 15 cases.

[a]The total excludes employers that did not provide information.

Table 8 - 3

Qualifications Standards for Entry Level Jobs of Survey Establishments Compared with Standards of Other Bay Area Employers by Number of Employees -- Bay Area Employer Policy Survey, 1967

Number of employees	Total		Qualification standards		
	Number	Per cent	Generally higher	About the same	Generally lower
All establishments[a]	297	100.0	34.7	63.6	1.7
Less than 250	123	100.0	28.5	69.1	2.4
250 to 499	72	100.0	38.9	59.7	1.4
500 to 999	49	100.0	40.8	59.2	
1000 to 1999	27	100.0	37.0	59.3	3.7
2000 or more	26	100.0	38.5	61.5	

[a] The total excludes employers that did not provide information.

Although there appears to be some tendency for this proportion to increase between the first and third size group, it is not at all clear that this reflects the existence of a consistent relationship between qualification standards and size of establishment. Another way of looking at the data suggests that from the second smallest size group on up, there are no significant differences.

We attempted, also, to associate a tendency to view the establishment's hiring qualifications as markedly different from the average for the survey employer's industry with certain other variables. Generally, this association was not sufficiently significant for comment. However, it should be noted that a larger than average proportion of respondents who believed selection standards were markedly higher in their establishments were likely to offer formal on-the-job training programs (Table 8-4). Some of this tendency was no doubt related to the fact that establishments having such programs were likely, also, to be of a size and in an industry in which qualifications standards would be comparatively high. However, this association must also have resulted to some extent from the fact that some establishments with formal on-the-job training programs do seek out and select employees with higher than average qualifications for the very reason that they have such programs. There were employers who emphasized the fact that an expensive training program necessitated the selection of applicants with sufficiently high qualifications to warrant their receiving training, particularly when one of the goals of this training program was to ensure the feasibility of a strong promotion-from-within policy.

Well defined exceptions to this latter line of reasoning did exist in the special programs, often of a preparatory or pre-employment variety, for applicants who were culturally disadvantaged. However, employers, in answering this question concerning their qualifications standards generally viewed them in relation to their customary types of training. The inquiry, in other words, was answered in terms of recruiting from the open market and of selecting workers without regard to considerations other than their ability to meet the usual job requirements at the time of entry into employment.

As was mentioned previously there was also a small group of employers who gave as their reason for having markedly higher qualifications standards the fact that they did not have formal training programs.

Our efforts to associate what the respondent believed to be his markedly higher qualifications standards with variables other than size or industry of establishment also showed some evidences of success with respect to wage levels (Table 8-5). The frequency with which a claim to higher hiring standards was made was related also to the establishment's paying higher wages to white-collar workers than those paid by other Bay Area establishments engaged in similar activities. It would therefore appear that the most frequent reason given for imposing markedly higher qualifications standards, namely that higher than prevailing wages were paid for similar work, was gounded in fact, at least so far as white-collar salary levels were concerned. Employers so often lacked the necessary degrees of freedom both in setting wage levels for blue-collar employees and in determining qualifications standards for their hire, that we have not attempted to associate these two variables. As will be indicated in Section X, the proportion of establishments reporting that their wage rates for blue-collar workers were about the same as those of other Bay Area establishments engaged in similar activities was considerably higher than in the case of white-collar workers.

Table 8 - 4

Extent of Formal On-the-Job Training Programs
by Entry Level Qualifications Standards
of Survey Establishments --
Bay Area Employer Policy Survey, 1967

Extent of formal on-the-job training programs	Total		Entry level qualification standards		
	Number	Per cent	Generally higher	About the same	Generally lower
All establishments[a]	296	100.0	34.8	63.6	1.6
Formal on-the-job training programs in use	136	100.0	41.2	57.3	1.5
Formal on-the-job training programs not in use	160	100.0	29.4	68.7	1.9

[a] The total excludes employers that did not provide information.

Table 8 - 5

Comparisons of White-Collar Salary Levels in Survey Establishments by Entry Level Qualifications Standards of Survey Establishments -- Bay Area Employer Policy Survey, 1967

(Comparison of respondent salary level with other employer levels in similar activities)

White-collar salary levels	Total		Entry level qualification standards		
	Number	Per cent	Generally higher	About the same	Generally lower
All establishments[a]	284	100.0	33.8	64.8	1.4
Higher than other employers	86	100.0	45.3	54.7	
About the same as other employers	186	100.0	29.0	68.8	2.2
Lower than other employers	12	100.0	25.0	75.0	

[a] The total excludes employers that did not provide information.

Selection standards -- minimum age. Our original intent was to gather information in the course of the Employer Policy Survey that would cast considerable light on the age distribution of the work force employed by the survey establishments and also on the hiring standards of the latter as related to age. We did not succeed in our attempt.

To achieve our purpose would have required both a more numerous return of the supplementary statistical tabels the survey employers were requested to complete, and a more widespread ability on the part of employers to provide these data when they did willingly complete the requested tables. We had hoped particularly to collect information on minimum age limits for hiring new workers in order to determine the availability of full-time job openings for youth from 18 through 20 years of age. To this end, we asked "how rigidly" the employer observed, by occupation, such hiring standards as a minimum age limit and what were his reasons. A more fortunate choice of words would have been to ask the minimum age by occupation, customarily observed, in hiring new workers.

The problems involved in this inquiry concerning minimum age limits did not appear during the pilot interviews, and we were too far along in our interviewing to introduce changes in administering the questions when the defects observable in our data became apparent.

Many comments were made during the course of our interviewing that would substantiate the commonly held belief that there is a paucity of career job opportunities for youth under 21 years of age. Employers in retail trade, as well as in other industries, sometimes commented that their former custom of hiring youth directly after high school graduation was no longer followed. One might give, as his reason, the lack of sound basic training (generally meaning arithmetic skills) and of work motivation now characteristic of the high school graduate without work experience. Another might maintain that two years of post high school training of a vocational nature was definitely now required in an occupation for which a high school education was once sufficient. There were also employers who hesitated to hire young men for unskilled or semiskilled work until some other employer had inculcated the work disciplines conferred by a first job. With respect to higher levels on the minimum age scale there were employers who preferred to hire older women whose clerical skills might be better than those of entrant workers and who, in any event, would be less likely to quit for reasons of domestic origin. Some employers, also, carefully distinguished between those occupations in which the necessary requirements as to education and work experience would inevitably result in hiring at a substantially older age than would be necessary for less demanding jobs.

In any event, the existence of those minimum age standards that are customarily imposed by employers in hiring new workers, either because of the quite individual selection standards of the employers (and these appeared to differ widely) or because of the varying demands of specific occupations, is obscured in our data by certain "mass answers." No matter what the major occupational group for which the information was given, the "minimum age limit at time of hiring" was overwhelmingly stated to be "18 years," and the reason given was "legal minimum." This reason, of course, was sometimes coupled with a younger or an older age. Those very few employers who offered occasional work opportunities to 16 and 17 year olds with work permits translated the "legal limit" to be under 18 years of age. Employers who could not legally hire minors

because, for example, working conditions were hazardous, a special driver's license was required, or liquor would be served by the employee tended to mention 21 years as the legal limit. But, in any event, our data show so heavy a concentration of responses at the 18 year mark that attempts to identify meaningful variations by industry or type of work involved are futile.

Selection standards -- maximum age. The survey employers were also asked if they adhered to a maximum age limit in hiring new workers and, if so, how rigidly they observed such standards, and why.

The responses we obtained to this question were affected, although not as greatly as in the case of hiring standards related to minimum age, by the fact that some employers replied in terms of their actual experience while others gave what amounted to a ritual answer. This latter -- "we have no maximum age limitation on hiring because it's illegal" -- as given for all occupational groups, no doubt masked actual practices as to hiring standards that varied widely by job classification. Nonetheless, the response that the establishment had no hiring standards respecting maximum age because they are illegal accounted for from 30 to 46 per cent, depending on occupational group, of all responses. Thus the data we gathered and which are not shown were obviously incomplete in that many descriptions of actual practices were not recorded, practices which if included in our distribution might have produced a sharper differentiation between the standards actually in effect for different occupational groups. Another answer commonly given and having the same effect was, "our maximum age for hiring is retirement age." The prevalence of this response resulted in the designation of 64 or 65 years as the maximum age limit, the relatively most frequent response of all the replies given by those employers who did admit to maximum age limits. In all probability this response, also, was influenced by legal considerations, since the California legislation prohibiting age discrimination in hiring, enacted in 1961, permits an employer to enforce a maximum age limit which is consistent with the retirement provisions of his pension plan, as does most legislation of this type.

We did derive some information from employer comments concerning actual maximum age limits imposed when hiring workers in different occupational groups and the reasons for these limitations. This information, however, cannot be presented in tabular form because any quantitative relationships shown would be misleading for the reasons mentioned above. We learned, for example, that maximum age hiring standards of "under age 35" for professional and managerial workers often reflected the existence of professional or managerial development training programs. This limitation also denoted, sometimes, a desire to recruit and select a constant flow of new degree-holders in certain fields in which the curriculum content is changing at a rapid rate, as in some of the scientific and engineering specialities. And the contrasting response respecting professional occupations, "we have no maximum age limit" or "age 69 or 70" was on occasion entirely factual. It was, indeed, in one establishment that routinely obtained waivers of customary age limitations on hiring when physicists and other scientists with specific types of experience were known to have reached compulsory retirement age at some other company and were still available for work.

Somewhat similar was the practice of some retail trade employers who hired superannuated personnel upon their retirement from other establishments

in hopes they would bring their "following" of customers with them. Also somewhat similar were the hiring practices of some hard-pressed manufacturers of durable goods. These respondents could demonstrate, with personnel records, recent hires of bench machinists who were in their late seventies but, nonetheless, possessed the requisite skills and were in sufficiently good physical condition to perform effectively on the job.

Our data also indicate certain relationships that quite probably reflect actual labor market patterns though, again, we have had to consider all relative frequencies suspect. As examples, maximum age limits in the late sixties or at age 70 appeared relatively more important in blue-collar than in white-collar occupations, a reflection of the prohibition against maximum age limits contained in some collective bargaining agreements. Also, the frequencies, although relatively small, indicating low maximum age limits in the blue-collar occupations ordinarily reflected jobs that were physically demanding as to the presence of hazards or the amounts of exertion required. Because of these complications, therefore, the statistical data developed are not being included in the report. Among other things, they are clearly not comparable with data gathered by this Institute and other organizations in California labor markets in the middle and late 1950's before state legislation relating to age discrimination in hiring had been enacted.

Selection standards -- existence of a police record. The survey employers were asked if they imposed selection standards as to the existence of a prior police record when hiring new workers. They were also asked how rigidly such standards were observed, and why. Many if not most of the employers we questioned appeared to have given their hiring specifications of this type a recent and searching review -- sometimes in response to the appeals of concerned agencies and organizations. All but a very few were able to describe the application of their standards by major occupational group, and a smaller number to describe the reasons for applying such standards.

Inasmuch as our questions were asked in relation to specific major occupational groups, we will have to present our data in the same manner. We will, however, show this information only as it pertains to professional and technical workers and to the unskilled. Employer reactions to a police record did not vary too greatly from one major occupational group to another. Also, such variations in their reactions as did exist are largely those that might be expected. As would be anticipated, the full range of variations in employer reactions relating to the type of job to be filled can be adequately illustrated by reference to the two selected occupational groups of workers mentioned above.

According to our respondents, if a potential new hire possessing a police record were being considered for a job in a professional or technical classification (Table 8-6) about half of the establishments would be willing to evaluate his record. In about a quarter of these evaluations, the nature of the offense would receive especial attention, and had it been a juvenile offense, considerable leniency could be expected. In an additional number of evaluations, particular attention would be paid to the specific job the applicant was to fill.

Table 8 - 6

Extent to which Existence of Police Record Affects Hiring New Professional and Technical Workers by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Extent police record affects hiring	All industries	Major industry group								
		Mining and construction	Durable goods	Non-durable goods	Transportation and utilities	Wholesale trade	Retail trade	Finance ins. real est.	Services	Government
All establishments[a]										
Number	304	26	57	60	27	12	33	23	36	30
Per cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Existence of record not known and/or employer does not inquire	14.5	11.5	3.2	15.0	33.3	25.1*	27.5	4.3	22.2	
Existence of record is not known by employer as union is source of recruits	8.9	11.5	15.8	15.0	3.7		3.0	4.3	8.3	
Employer does not require information but recruit is evaluated by bonding agent or security officer	6.9	15.4		5.0		16.7*	12.1	8.7	13.9	3.3
Employer inquires but affirmative response does not necessarily affect hiring	1.0		1.8	3.3						
Employer will evaluate record	34.2	42.5	42.3	38.3	37.1	33.3*	12.1	13.1	19.4	60.1

/Table continued/

Table 8 - 6 continued

Extent police record affects hiring	All industries	Major industry group								
		Mining and construction	Durable goods	Non-durable goods	Transportation and utilities	Wholesale trade	Retail trade	Finance ins. real est.	Services	Government
Employer will evaluate record - nature of offense and age at which committed	12.5	3.8	19.3	10.0	11.1	8.3*	24.2	13.1	5.6	10.0
Employer will evaluate record in relation to kind of job to be filled	3.9	3.8	1.8	6.7	3.7	8.3*	3.0	13.1		
Existence of a record precludes hiring	8.2	7.7	3.5	5.0	3.7		12.1	21.7	16.7	6.7
Existence of a record for a narcotics offence precludes hiring	2.6		1.8						11.1	10.0
Existence of a conviction for a felony precludes hiring	3.6	3.8	7.0		7.4	8.3	3.0	4.3		3.3
Conviction for theft of money and/or property precludes hiring	2.0						3.0	13.1	2.8	3.3
Other effects not given in above categories		1.7		3.5	1.7			4.3		3.3

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*Percentages based on fewer than 15 cases.

[a]The total excludes employers that did not provide information.

By major industry group, according to the respondents the willingness to evaluate a record varies, both as to the kind of evaluation given and as to the extent of such willingness. In general, the major industry groups most likely to reject an applicant for a professional job because of his record, whatever the offense, were, in the relative frequency of responses, the finance group of industries, services establishments (which include hospitals and firms providing protective and building maintenance services), and retail trade outlets. Establishments in wholesale trade and in transportation were likely to give particular weight to convictions for a felony in instances in which a police record precluded hiring. Services and government establishments, reflecting the emphases of private and public hospitals, would be particularly sensitive, of course, to narcotics offenses.

Respondents indicated that in a fair proportion of all instances the employer did not inquire as to the existence of a record. Where this was the case, the reason was sometimes that another screening device existed, such as the unions. The somewhat greater reliance on unions by survey establishments in construction and manufacturing for such screening in professional and technical jobs tended to reflect practices with respect to draftsmen. Reliance for such investigation could also be placed on bonding agents or security officers, as in wholesale trade, construction, services, and retail trade where the respondents, as indicated in the relative number of their replies, stated this practice was common.

A prior police record was less likely to preclude a job applicant's chances of finding employment in the survey establishments when the applicant sought work in an unskilled classification than in other occupational groups (Table 8-7). It followed, therefore, that employers were considerably more likely to evaluate the nature of police records and to evaluate prior offenses for unskilled workers than for those in higher-level posts. Other understandable differences between the two major occupational groups were indicated by our data, such as the greater propensity to overlook juvenile offenses when unskilled work was involved and the higher incidence of bondable jobs in professional and technical classifications. But in general, intraindustry differences as to the effects of police records upon hiring unskilled workers followed much the same patterns as already mentioned for professional and technical jobs.

When selection standards with respect to the existence of a police record are considered in connection with establishment size, certain differences related to size of establishment can be noted. Where professional and technical workers are concerned, as indicated by the relative frequency of responses (Table 8-8), a greater proportion of smaller than of larger establishments failed to inquire into the matter of a record. Significantly fewer of the smaller than of the larger establishments were willing to evaluate the record of an employee who had committed an offense, and proportionately fewer of them utilized the service of a bonding company.

It can be noted that the relationships discussed above, although apparent, are usually not entirely consistent. Various of the reactions to a police record, it was obvious from the comments of our respondents, were more closely related to industry or activity of the employer, or to the type of job to be filled, than to establishment size. As examples, hospitals, whatever their

Table 8 - 7

Extent to Which Existence of Police Record Affects Hiring New Unskilled Workers by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Extent police record affects hiring	All industries	Major industry group: Mining and construction	Durable goods	Non-durable goods	Transportation and utilities	Wholesale trade	Retail trade	Finance ins. real est.	Services	Government
All establishments[a]										
Number	247	25	53	60	23	9*	29	3*	19	26
Per cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Existence of record not known and/or employer does not inquire	10.5	16.0	11.3	16.7	8.7		3.4		10.5	
Existence of record is not known by employer as union is source of recruits	6.1	32.0	1.9	3.3	8.7		3.4		5.3	
Employer does not require information but recruit is evaluated by bonding agent or security officer	3.6	4.0		3.3			10.3		10.5	
Employer will evaluate record	44.7	32.0	49.1	50.0	43.6		31.2		31.6	57.8
Employer will evaluate record - nature of offense and age at which committed	15.4		20.8	15.0	17.4		27.7		10.5	11.5

/Table continued/

Table 8 - 7 continued

Extent police record affects hiring	All industries	Major industry group								
		Mining and construction	Durable goods	Non-durable goods	Transportation and utilities	Wholesale trade	Retail trade	Finance ins. real est.	Services	Government
Employer will evaluate record in relation to kind of job to be filled	4.0	8.0	1.9	6.7	4.3		3.4			
Existence of a record precludes hiring	4.9	4.0	1.9	1.7	4.3		13.8		10.5	7.7
Existence of a record for a narcotics offence precludes hiring	2.8		1.9						15.8	11.5
Existence of a conviction for a felony precludes hiring	4.0	4.0	7.5		8.7	11.1	3.4			3.8
Other effects not given in above categories	4.0		3.7	3.3	4.3		3.4		5.3	7.7

*Percentages not computed because of the small number of cases.

[a]The total excludes employers that did not provide information and those not employing unskilled workers.

Table 8 - 8

Extent to which Existence of Police Record Affects Hiring New Professional and Technical Workers by Number of Employees -- Bay Area Employer Policy Survey, 1967

Extent police record affects hiring	Total	Number of employees: Less than 250	250 to 499	500 to 999	1000 to 1999	2000 or more
All establishments[a]						
Number	304	128	71	50	27	28
Per cent	100.0	100.0	100.0	100.0	100.0	100.0
Existence of record not known and/or employer does not inquire	14.5	25.7	9.9	4.0	7.4	
Existence of record is not known by employer as union is source of recruits	8.9	13.3	7.0	6.0	7.4	
Employer does not require information but recruit is evaluated by bonding agent or security officer	6.9	5.5	7.0	8.0	14.8	3.6
Employer inquires but affirmative response does not necessarily affect hiring	1.0	1.6	1.4			
Employer will evaluate record	34.2	28.0	28.3	40.0	44.5	57.1
Employer will evaluate record - nature of offense and age at which committed	12.5	8.6	12.7	16.0	7.4	28.6
Employer will evaluate record in relation to kind of job to be filled	3.9	3.9	4.2	2.0	7.4	3.6
Existence of a record precludes hiring	8.2	9.4	12.7	8.0		
Existence of a record for a narcotics offense precludes hiring	2.6	0.8	4.2	4.0	7.4	
Existence of a conviction for a felony precludes hiring	3.6	0.8	7.0	10.0		
Conviction for theft of money and/or property precludes hiring	2.0	0.8	4.2			7.1
Other effects not given in above categories	1.7	1.6	1.4	2.0	3.7	

[a]The total excludes employers that did not provide information.

size, were greatly concerned with prior convictions for narcotics offenses; a bank, whatever its size, was subject to certain regulations of the Federal Deposit Insurance Corporation. And employers, irrespective of the number of their employees, hesitated to assign an employee with a record involving theft of property to a job involving the handling of cash.

Nonetheless, it could be noted in the comments of the respondents that a reluctance to hire employees with prior police records was considerably more evident among those representing small establishments than among those from larger organizations. Several reasons explaining this reluctance and relating to employment size were given. One was the effects upon other employees in small organizations where more is likely to be known about the background of a fellow worker than in a larger establishment. Also, respondents from smaller establishments mentioned with greater frequency than those from larger ones their lesser facilities for searching out and evaluating the implications of a police record, and their greater vulnerability to bad publicity when recidivism does occur. Some, at least, of this reluctance is apparent in the relative frequencies of various responses as they appear in Table 8-8, despite the inconsistencies introduced by industry when the influence of industry is predominant.

In general, the differences that related to size of establishment in employer reactions to hiring professional and technical workers with police records were similar to those manifested when unskilled jobs were at stake (Table 8-9). The smaller employer was less likely to inquire about the existence of a record than was the larger, although this association is not consistent. The existence of a prior record was more likely to preclude hiring, though again the association is not consistent. The smaller employers, too, were less likely to evaluate a prior record than were the larger. However, it is of interest that a real difference as between the two major occupational groups is evident in this respect. Establishments of fewer than 500 workers showed relatively great reluctance to evaluate the record of a professional worker whereas their willingness to do so for unskilled workers was at the average level.

We next questioned the respondents concerning their reasons for adhering rigidly to certain selection standards when job applicants possessed police records, or for making considerable adjustments in the firmness with which such standards were applied (Table 8-10). Although we asked this question with reference to all major occupational groups, data are shown only for professional and technical workers and for the unskilled. The variations by occupation were slight but some were interesting and we will refer to them as well as generalize from the total of our data even though all information is not shown.

In all major occupational groups, a prior police record adversely affected the chances of an applicant to be hired. As judged by the relative frequency of replies, this adverse effect was greatest in white-collar jobs and less influential in industrial-type occupations. The effect upon hires in the service occupations was reflected as between that of the above-mentioned types of jobs. The often intermediate position of service jobs in relation to certain variables, as mentioned before in this report, usually reflects the heterogeneous mixture of specific occupations contained in the general category. This major group, although many of its specific occupations greatly resemble unskilled labor, also contains the occupations of police officer and guard, jobs in which

Table 8 - 9

Extent to which Existence of Police Record Affects Hiring
New Unskilled Workers by Number of Employees --
Bay Area Employer Policy Survey, 1967

Extent police record affects hiring	Total	Number of employees				
		Less than 250	250 to 499	500 to 999	1000 to 1999	2000 or more
All establishments[a]						
Number	247	103	58	41	21	24
Per cent	100.0	100.0	100.0	100.0	100.0	100.0
Existence of record not known and/or employer does not inquire	10.5	16.5	5.2	7.3	14.3	
Existence of record is not known by employer as union is source of recruits	6.1	9.7	5.2		4.8	4.2
Employer does not require information but recruit is evaluated by bonding agent or security officer	3.6	2.9	1.7	7.3	4.8	4.2
Employer will evaluate record	44.7	44.7	39.6	46.4	38.0	58.2
Employer will evaluate record - nature of offense and age at which committed	15.4	9.7	19.0	17.1	14.3	29.2
Employer will evaluate record in relation to kind of job to be filled	4.0	5.8	3.4	2.4	4.8	
Existence of a record precludes hiring	4.9	5.8	6.9	4.9		
Existence of a record for a narcotics offense precludes hiring	2.8	1.0	5.2	2.4	9.5	
Existence of a conviction for felony precludes hiring	4.0		8.6	12.2		
Other effects not given in above categories	4.0	3.9	5.2		9.5	4.2

[a]The total excludes employers that did not provide information and those not employing unskilled workers.

conviction for a prior offense would almost automatically bar all chance of consideration for employment.

The most frequent reason given for all occupations, to account for the fact that a police record would affect hiring adversely, related to the requirement that employees be bondable. This requirement was mentioned most frequently as applying to sales personnel and least often in connection with workers in service occupations. After mention of this matter of bonding requirements, the chief problem in hiring professional workers with police records appeared to lie in security regulations. Easy access to property and to cash were given as principal reasons for a strict adherence to selection standards respecting police records for managerial and clerical workers. Equal weight, in the case of sales workers, was given to the easy access to cash and merchandise of these workers; a concern for the reputation of the establishment; and unfortunate previous experiences with applicants who possessed police records. Easy access to cash, merchandise, and property was also the principal worry of the respondents with reference to industrial-type and service occupations, as well.

The statement that a prior police record did not affect hiring adversely was made most frequently regarding unskilled jobs, followed closely by jobs in skilled and semiskilled classifications. Survey employers, according to the frequency of their responses, were least likely to overlook prior offenses for workers in sales and clerical occupations.

Where standards involving prior police records were not stringently applied, respondents reported, this leniency was due often to the establishment's desire to cooperate with parole and rehabilitation agencies. In other instances, it stemmed from a policy of evaluating police records and of making allowances in some circumstances.

Selection standards -- aptitude and other tests. Various questions concerning the selection practices of our survey establishments were directed to learning the extent to which giving aptitude and other tests accompanied their hiring of new workers (Table 8-11). In answer to our question as to whether or not these employers gave tests and, if so, to workers in which occupations, we learned that a third of the survey establishments included testing as part of their selection process for one or more major occupational groups. According to the relative frequency of their responses, aptitude and other tests were most likely to be administered by the survey establishments to workers in clerical and in sales occupations. Least likely subjects of testing, when seeking employment at these same establishments, were potential new hires for managerial, service, and unskilled jobs.

As mentioned, clerical workers were more likely than those in any other major industry group to be given aptitude or other tests as part of the selection process at the survey establishments.

According to the relative frequency of the responses, such testing was more likely to occur in the finance group of industries than in any other (Table 8-12). Considering the high proportion of the total work force in these industries that is comprised of clerical workers, such unanimity of opinion (at 96 per cent of all survey establishments) in banks and insurance companies has even more significance when viewed relative to its impact on the total force

Table 8 - 10

Reasons for Extent to Which a Police Record Affects Hiring Professional and Technical and Unskilled Workers -- Bay Area Employer Policy Survey, 1967

Reasons a police record affects hiring	Occupational group: Professional and technical	Occupational group: Unskilled
All establishments[a]		
Number	105	81
Per cent	100.0	100.0
Reasons police record affects hiring adversely	83.8	76.6
Employees are required to be bonded	38.1	28.6
Security regulations	9.5	8.6
Job involves handling cash or financial records	3.8	3.7
Job involves working with institutionalized persons with school or college-age youth	3.8	4.9
Nature of the job	4.8	6.2
Previous experience with employees having police records	5.7	7.4
Job provides easy access to cash and/or merchandise or property	7.6	12.3
Company policy, or desire to preserve the good reputation of the establishment	3.8	4.9
Civil Service, Federal Deposit and Insurance Corporation, or Coast Guard restrictions	6.7	4.9
Reasons police record does not affect hiring adversely	10.5	16.0
Establishment's policy to cooperate with parole and/or rehabilitation agencies	7.6	11.1
Establishment's policy to evaluate police records and make allowances in some circumstances	2.9	4.9
Other reasons	5.7	7.4

[a] The totals for each occupational group exclude employers that do not employ such workers and employers that did not provide information. The total may exceed the number of employers reporting as some employers reported more than one reason.

Table 8 - 11

Extent of Use of Aptitude or Other Tests by Survey Establishments in Selection of Workers by Major Occupational Group -- Bay Area Employer Policy Survey, 1967

Major occupational group	Total[a]		Uses tests	Does not use test
	Number	Per cent		
Professional and technical	258	100.0	31.8	68.2
Managerial	303	100.0	22.4	77.6
Clerical	305	100.0	59.0	41.0
Sales	177	100.0	38.4	61.6
Skilled	244	100.0	31.6	68.4
Semiskilled	238	100.0	29.8	70.2
Unskilled	244	100.0	27.0	73.0
Service	206	100.0	23.3	76.7

[a] The total for each occupational group excludes employers not employing such workers and employers not providing information.

Table 8 - 12

Per Cent of Survey Establishments Selecting Clerical Workers by Use of Aptitude or Other Tests by Major Industry Group -- Bay Area Employer Policy Survey, 1967

All establishments[a]	59.0
Mining and construction	19.2
Durable goods	63.4
Nondurable goods	59.0
Transportation and utilities	63.0
Wholesale trade	76.9
Retail trade	40.6
Finance, insurance, and real estate	96.0
Services	52.8
Government	70.0

[a] The total includes those 180 employers giving aptitude or other tests to clerical applicants.

of clerical workers than the number of employers represented would suggest. This industry group, morevoer, is closely followed in its relative proclivity to give tests to clerical workers by wholesale trade and government, in both of which such workers form comparatively significant proportions of the total work force. It should be pointed out, also, that government agencies did not register 100 per cent as to their giving pre-employment tests as part of the selection process because some establishments not subject to civil service regulations are included in this major industry group.

According to the respondents, least likely of all industries to administer tests, aptitute or otherwise, to potential new hires in clerical classifications was construction. This comparative freedom from testing, however, has but little meaning for the total clerical work force, since clerical jobs are relatively scarce in this industry and many of those that do exist are for timekeepers and the like stationed on field jobs.

The propensity to test clerical workers as part of the selection process is quite definitely related to size of establishment (Table 8-13). Only those survey employers with fewer than 250 workers showed less than average resort to tests for such workers. Beyond this number of employees the incidence of testing, according to the relative frequency of the responses rose consistently with the size of the establishment.

As judged by the relative frequency of their responses, the survey establishments were less likely to administer aptitude or other tests to unskilled workers than to workers in any other major occupational group except managers who are selected predominantly from within.

By major industry group the incidence of responses that unskilled workers were tested was heaviest among government employers, no doubt reflecting the use of civil service examinations (Table 8-14). Following government in the relative order of industry groups in which tests of unskilled workers might be expected were the finance group of industries, nondurable goods manufacturing, and the transportation and utilities group.

Services and retail trade employers were least likely of all industry groups to administer tests to these workers in the course of the selection process.

As was true of the administration of aptitude and other tests to clerical workers, the practice of testing unskilled workers appears related to size of establishment (Table 8-15). As might be expected from the less frequent testing of unskilled than of clerical workers, however, only about one-fifth of the survey employers with fewer than 250 workers indicated in their responses that they tested the former. The comparable figure for the latter was 43 per cent.

Moreover, while 82 per cent of the survey employers in the largest size class tested clerical workers, only one-third of all the respondents representing this group of establishments indicated that unskilled workers were tested in connection with their hiring processes.

There has been more than a little controversy over the reasons for administering tests in the course of the selection process. It has been alleged that

Table 8 - 13

Per Cent of Survey Establishments Selecting Clerical Workers by Use of Aptitude or Other Tests by Number of Employees -- Bay Area Employer Policy Survey, 1967

All establishments[a]	59.0
Less than 250	43.4
250 to 499	59.7
500 to 999	73.5
1000 to 1999	81.5
2000 or more	82.1

[a] The total includes those 180 employers giving aptitude or other tests to clerical applicants.

Table 8 - 14

Per Cent of Survey Establishments Selecting Unskilled Workers by Use of Aptitude or Other Tests by Major Industry Group -- Bay Area Employer Policy Survey, 1967

All establishments[a]	27.0
Mining and construction	
Durable goods	29.4
Nondurable goods	30.5
Transportation and utilities	30.4
Wholesale trade	25.0
Retail trade	17.9
Finance, insurance and real estate	33.3
Services	15.8
Government	57.7

[a]The total includes those 66 employers giving aptitude or other tests to unskilled workers.

Table 8 - 15

Per Cent of Survey Establishments Selecting Unskilled Workers by Use of Aptitude or Other Tests by Number of Employees -- Bay Area Employer Policy Survey, 1967

All establishments[a]	27.0
Less than 250	19.4
250 to 499	25.9
500 to 999	37.5
1000 to 1999	36.8
2000 or more	33.3

[a] The total includes those 66 employers giving aptitude or other tests to unskilled workers.

pre-employment tests, some of which have this tendency, are primarily given with the very real intent of screening out the culturally disadvantaged and, therefore, members of minority groups. A group of investigators had explored the testing practices of a sample of important Bay Area establishments during the early part of our interview period and their Director published as its finding that very little, if any such intent, was evident in the establishments they contacted. But while he did state in his published report that the establishments studied were characterized in their use of tests by "sincere fair employment policies," he commented on the "almost total absence of local validity information for tests, interviews or any other selection instrument or procedure."[1]

As the findings of this group were familiar to many of our respondents, we found them discussing the subject of test validation with us even though it was not included in our survey. The comments made in the course of our own interviews indicated primarily economic reasons for test-giving. Employers were interested in such goals as predicting the employee's subsequent success on the job, in predicting his trainability, and, in some cases, in measuring his performance under test conditions of certain tasks that he was expected to perform immediately, once hired. With goals such as these, we also found it surprising that, except in the largest establishments, employers were commenting, unasked, on the scarcity of data that existed for validating, in terms of the employee's subsequent performance, the tests that were used. It was also surprising to find the numbers of establishments in which employers worried that the commercially marketed tests they were using along with many other employers would probably result in showing little more than who were the most test-wise among their job applicants.

Probably the most revealing anecdote mentioned concerning the subject of testing in the course of our interviews was that of one respondent who stated that a colleague, one of the establishment's Department Heads who hired directly, insisted on giving a quite difficult I.Q. test to all of his clerical applicants. When the interviewer asked why this practice was followed, the respondent replied that his fellow worker had always retained Suzy's score on this test. His instruction to those administering the test was the firm admonition "never to hire anyone stupider than Suzy," an injunction that had become practically a motto of the firm.

As might be expected from an employer community of the sophistication represented in the survey establishments, many more respectable reasons for test-giving were advanced than a desire to screen out the Suzy's.

When the reasons for giving aptitude and other tests to professional and technical workers were requested, the relatively most important reason advanced by the respondents was that of testing the applicant's suitability and aptitude for the job (Table 8-16). This reason was followed at some distance by that of a group of respondents who specified that such testing was predictive of success in that it determined potential. Some of the comments given with a fair degree of relative frequency were scarcely reasons: namely that testing added an "additional dimension to the screening process" and that testing was "part of the screening and selection process."

A relatively small number of employers mentioned that they were really

Table 8 - 16

Reasons of Survey Establishments for Selecting
Professional and Technical Workers
by Use of Aptitude or Other Tests --
Bay Area Employer Policy Survey, 1967

All establishments[a]	
Number	113
Per cent	100.0
To test suitability and/or aptitude for the job	33.3
Predictive of success; to determine potential	13.3
Adds additional dimension to screening process	11.7
To determine I.Q. or ability to learn	11.7
Part of screening and selection process	6.7
Attempting to determine correlation between test results and job performance	5.0
Employer finds useful and valuable	5.0
Civil service requirement	5.0
To test mathematical or numerical aptitude and knowledge	3.3
To test verbal abilities	1.7
Other reasons not given in the above categories	3.3

[a] The total excludes those employers that do not use aptitude tests, employers that do not employ professional and technical workers and employers that did not provide information.

giving tests in order to "gather statistics" so that these tests might be validated in light of the employee's subsequent job performance. Yet others were willing to state that they found their tests useful and valuable and this they regarded as a very good reason for including testing in their screening process.

Employers who did not give tests were asked regarding their reasons for not including this practice in their selection process for professional and technical workers (Table 8-17).

The largest relative number of respondents replied that giving aptitude and other tests to such workers had been found to be neither practical nor necessary. Others (who might well be considered as giving tests) had merely transferred the matter of testing to the employment agencies that served them or to civil service bodies. And a relatively significant group of employers believed that an evaluation of the applicant's previous work record and of the employment interview constituted a sufficient screening of job applicants in professional and technical classifications.

Similar questions as to why tests were included (Table 8-18) or not included in the selection process were also asked concerning clerical workers specifically. A larger number of reasons for testing these latter was advanced than for any other occupational category of employees, and this seemed only appropriate inasmuch as those in clerical classifications are more often subject to tests than are other workers.

Relatively the two most numerous responses given related to job performance -- that tests were given in order to measure before hiring the job applicant's shorthand and typing abilities. Other replies were related to the potential worker's possession of various aptitudes or to his I.Q. Yet others might be considered "nonreasons" such as "part of the screening and selection process."

When questioned, another but much smaller group of respondents had a different task, that of stating the reasons for their not administering tests to clerical workers (Table 8-19). Two negative reasons were advanced with the same relative frequency and one of the two could not be considered as reflecting the belief that clerical workers should go untested. Almost a third of the respondents mentioned that their testing was administered by employment agencies. An almost equal proportion did not believe that testing was practical or necessary, an important reason given for not testing workers in other occupational groups as well.

Finally, with respect to including or not including the administration of tests as part of the selection process, we requested opinions, pro and con, on this subject as related to unskilled workers. In screening for unskilled jobs, as mentioned earlier, test-giving is less common than for any other type of job.

Equal proportions of respondents advanced two reasons for testing such workers (Table 8-20). One group subscribed to testing in order to measure mechanical aptitudes or skills or dexterity. The other group was not as specific as to the qualities being measured but mentioned testing suitability and aptitudes for the job.

Table 8 - 17

Reasons of Survey Establishments for Not Selecting Professional Workers by Use of Aptitude or Other Tests -- Bay Area Employer Policy Survey, 1967

All establishments[a]	
Number	60
Per cent	100.0
Giving tests not considered practical or necessary	37.7
Employment agencies provide testing service	20.8
Civil service provides testing service	13.2
Evaluation of previous work record and/or information from interview considered sufficient	13.2
Not employer policy to give test	3.8
Jobs in certain categories filled only from within establishment	3.8
Other reasons not given in the above categories	3.3

[a] The total excludes those employers that use aptitude tests, employers that do not employ professional and technical workers and employers that did not provide information.

Table 8 - 18

Reasons of Survey Establishments for Selecting Clerical Workers by Use of Aptitude or Other Tests -- Bay Area Employer Policy Survey, 1967

All establishments[a]	
Number	157
Per cent	100.0
To test shorthand and typing abilities	25.6
To test typing ability	16.6
To test suitability and/or aptitude for the job (unspecified)	14.0
To test clerical aptitude or skills	10.8
Predictive of success to determine potential	
To determine I.Q. quotient and/or ability to learn	5.7
Part of the screening and selection process	4.5
Adds additional dimension to the screening process	3.8
To test mathematical or numerical aptitude, or knowledge	2.5
Civil service requirements	2.5
Attempting to determine correlation between test results and job performance	1.9
Finds it useful or valuable	1.9
To test verbal abilities	1.3
To assist in placement into jobs which will provide promotional potential	0.6
Other reasons for using tests	1.3

[a] The total excludes those employers that do not use aptitude tests, employers that do not employ clerical personnel, and employers that did not provide information.

Table 8 - 19

Reasons of Survey Establishments for Not Selecting Clerical Workers by Use of Aptitude or Other Tests -- Bay Area Employer Policy Survey, 1967

All establishments[a]	
Number	59
Per cent	100.0
Employment agency(ies) tests for establishment	33.8
Giving of tests not considered practical or necessary	30.5
Evaluation of previous work record and/or information from interview considered sufficient	11.9
Civil service provides testing service	10.2
Union(s) tests for establishment	5.1
Not the establishment's policy to give tests	5.1
Other reasons for not using tests	3.4

[a] The total excludes those employers that used aptitude tests, employers that did not employ clerical personnel and employers that did not provide information.

Table 8 - 20

Reasons of Survey Establishments for Selecting Unskilled Workers by Use of Aptitude or Other Tests -- Bay Area Employer Policy Survey, 1967

All establishments[a]	
Number	55
Per cent	100.0
To test mechanical aptitude or skills; to test dexterity	16.3
To test suitability and/or aptitudes for job (unspecified)	16.3
Predictive of success; to determine potential	10.9
Adds additional dimension to the screening process	10.9
To test mathematical or numerical aptitude or ability	9.1
To determine the I.Q. and/or ability to learn	7.3
Civil service requirement	7.3
Part of the screening and selection process	5.5
Attempting to determine the correlation between testing and job performance	5.5
To test verbal abilities	5.5
Finds useful or valuable	3.6
To test driving ability	1.8

[a] The total excludes those employers that do not use tests, employers that do not employ unskilled workers, and employers that did not provide information.

There were also employers who believed that the tests given were predictive of future job success and thus well worth administering. Yet others believed testing a desirable component of the selection process, and some gave tests to measure aptitudes and skills other than those mentioned relatively more often.

Those employers who disagreed with the practice of administering preemployment tests in order to select unskilled workers for hire were also asked concerning their reasons for not adopting this method of screening (Table 8-21).

The largest proportion of these respondents were of the opinion that such testing was neither practical nor necessary. And relatively smaller proportions mentioned that employment agencies, unions, or civil service agencies performed the task of testing for them. A fair proportion of employers believed that an evaluation of the previous work record or of information obtained during the employment interview provided a sufficient degree of screening when hiring workers in this occupational group as in others.

We completed our inquiries concerning the subject of testing by asking the respondents, "Have you ever considered modifying or eliminating such tests to encourage the employment of persons whose limited or non-English speaking background hampers their test performance?"

Of the 184 respondents who answered this question, 57 replied affirmatively and 127, negatively.

Selection standards -- educational requirements. Obtaining clear and precise data concerning minimum educational requirements was complicated by the tendency -- which has been indicated by a number of other studies -- for minimum educational standards to shift upward or downward with changes in labor market conditions. And this problem of varying qualifications standards as to education (which is shared by most if not all selection criteria) was thrown into bold relief by the very phraseology of the question we asked the respondents. Our question was one of indicating minimum educational requirements, if any, by occupational group. We soon learned anew that in those instances where this lowest level had not been rigidified or codified by such formal requirements as degree-holding, apprenticeship completion, or high school graduation, it was, indeed, a minimum that moved in accordance with the labor market situation of the time.

Despite our efforts, we encountered, thus, two sets of educational requirements. One might be called "minimum" selection criteria in that they represented standards that had been formalized and could not be contravened, or standards that were sufficiently realistic in terms of customary job requirements and usual labor market conditions that they offered no problems of being comfortably accommodated to. There were, however, other standards that might be labeled "preferred," and might be defined as "anything above the minimum." These were the standards that would make the difference in any specific applicant selection in which the employer had the option of choosing between two or more job applicants, and educational requirements could be the decisive factor. They were also the standards that would govern on a larger scale whenever labor demand-supply and other relationships permitted their wider application.

We met this problem of a sliding scale of educational specifications essentially by "hearing out" the respondent. If minimum standards existed below which the employer would not or could not hire, these were the educational requirements we recorded. They were recorded as such even though the labor market situation at the time of the interview, and for a considerable period prior, might have permitted the employer to use his preferred criteria as the selection standard. Or, more important, we recorded those minimum standards at which the employer was then hiring, although it was plainly evident he would upgrade his criteria whenever the specific circumstances of an individual situation allowed him to do so.

In those instances in which no formal minimum standards existed and the selection of applicants was made on a preference basis, we recorded the employer's qualifications standards as "preferred." In no cases, however, is there a duplicated count for an individual employer of both minimum and preferred standards. Our data (Table 8-22), therefore, in view of the above must be regarded as a firm reflection of minimum educational requirements in the Bay Area labor market of the interview period. They do contain, however, a markedly downward bias as to the standards that might be expected to prevail under any circumstances permitting a movement away from the minimum expectations of employers respecting the educational preparation of job applicants.

Our first question concerning educational requirements was directed to learning the minimum (or "preferred") educational requirements for new hires existing in the survey establishments.

As might be expected, such requirements were most likely to exist for the white-collar occupations and least likely to restrict hiring in blue-collar and lower skill service occupations. Further, as would be expected, the amount of education required declined with the demands of the job.

In about 10 per cent of all survey establishments, no minimum or preferred educational requirements were observed for professional workers, nor were any stated for technical workers in 14 per cent of the cases. Relatively the fewest respondents mentioned an absence of educational standards for such workers among all the major occupational groups included in our questioning. Some instances in which such minimum standards for these occupations were absent represented "leaving the door open" for a specific type of worker. These were workers, often engineers, who had been able to obtain licenses under "grandfather clauses" that blanketed-in practicing members of a profession lacking the newly imposed educational qualifications. In other cases, this absence represented, simply, a desire not to formalize a restriction that was customarily although not invariably imposed.

The relatively large proportion of respondents replying that no minimum educational requirements existed as to managerial occupations reflected several different types of situations. In some instances, the employee transferred into the managerial hierarchy (or given a place in a managerial training program together with the more numerously represented college recruits) was regarded by the employer for purposes of this question as a "new hire." This was done despite the fact that the worker was already an employee of the organization, originally hired in some classification for which educational requirements were less strict than they would be for a management trainee recruited "from the

Table 8 - 22

Minimum and Preferred Educational Requirements of Survey Establishments in the Selection of Workers by Major Occupational Group -- Bay Area Employer Policy Survey, 1967

Minimum and preferred educational requirements	Major occupational group				
	Profes-sional	Tech-nical	Mana-gerial	Clerical	Sales
All establishments[a]					
Number	240	233	288	306	174
Per cent	100.0	100.0	100.0	100.0	100.0
No minimum or preferred requirements	9.2	13.7	27.4	28.8	32.2
Minimum requirements					
High school diploma	3.7	12.9	13.6	61.8	27.0
Some college or junior college diploma	5.8	22.8	11.1		14.9
Post high school technical or vocational training (including apprenticeship)	4.2	15.0	2.4		
College degree	62.5	28.4	34.1		17.2
Graduate degree	5.0		2.4		
Preferred requirements					
High school diploma		1.7	1.0	6.8	
Some college, or junior college diploma		1.7	1.0		2.9
Post high school technical or vocational training (including apprenticeship)				1.0	2.9
College degree	7.1	3.0	7.0		
Graduate degree					
Other educational requirements	2.5	0.8	1.0	1.6	2.9

/table continued/

Table 8 - 22 (continued).

Minimum and preferred educational requirements	Major occupational group			
	Skilled	Semi-skilled	Unskilled	Service
All establishments[a]				
Number	245	237	244	206
Per cent	100.0	100.0	100.0	100.0
No minimum or preferred educational requirements	61.7	75.5	82.8	86.4
Minimum requirements				
High school diploma	23.6	20.3	13.9	10.2
Some college, or junior college diploma				
Post high school technical or vocational training (including apprenticeship)	9.0			
Preferred requirements				
High school diploma	4.5	3.4	2.5	1.9
Post high school technical or vocational training (including apprenticeship)	1.2			
Other educational requirements		0.8	0.8	1.5

[a] The total excludes employers that do not employ some occupational groups and employers that did not provide information.

outside." In other instances, promotion-from-within was so definitely the route to managerial occupations that no necessity existed even to surmise what educational requirements would be imposed were the establishment to go beyond its own staff to find workers for a managerial post. And there were other cases in which it was firm company policy not to restrict the selection of managerial personnel upon any other than an ability basis, a policy that could reflect certain traditional and enunciated beliefs or the company executive's own lack of educational attainment.

About the same proportion of respondents noted an absence of educational requirements for clerical workers as made this observation regarding the managerial group. About one-half of such instances involving clerical workers reflected situations in which requirements were no more explicitly stated for those in clerical occupations than for workers in any other occupational group. The other half of such responses reflected an actual deviation from the usual employer policy of demanding at least high school graduation of these workers.

About a third of the respondents reported no minimum or preferred educational requirements for sales workers. Again, as with managerial staff, a variety of situations was behind the absence of such requirements. Some respondents represented establishments in which the requirement of high school graduation was not invariably observed for sales clerks. Others were thinking of high-level sales representatives for whom much the same type of reasoning applied as for managers. Yet others were considering their promotion-from-within polices that brought able company employees into the sales training program who were originally hired in skilled or semiskilled occupations for which educational specifications were less rigidly observed than for sales personnel drawn from outside the company.

More than half of the survey employers stated that they imposed no minimum or preferred educational requirements in hiring skilled, semiskilled, unskilled, or service workers. This degree of open entry in the lower skill level occupations, together with the ubiquitous policy of promotion-from-within, may promise more possibilities of upward mobility for many culturally disadvantaged workers of limited educational attainment than is always recognized in this education-conscious age.

As to those educational requirements that were stated, two-thirds of all respondents required a minimum of college graduation for hires in professional occupations. The preferred requirements also mentioned specified a college degree. Relatively small proportions of survey establishments asked a graduate degree or were content with "some college" or a junior college diploma.

Slightly more than a fourth of the survey employers stated that a college degree was required for workers in technifal occupations and a small number gave this requirement as their preference. A little more than a fifth mentioned some college, or junior college graduation while an additional 15 per cent specified post high school technical training or apprenticeship. The heterogeneity of these educational requirements merely reflects the wide range of quite different jobs that were referred to in this most interesting occupational field where adaptations of curricula to job requirements are more rapidly evolving than in the other major occupational categories.

High school graduation was stated as the minimum and as the preferred educational requirement in almost all instances where such a requirement existed for clerical workers. Post high school training was very frequently mentioned as desirable in employer comments and no doubt applicants who possessed this additional training were routinely selected in preference to those who did not. Nonetheless, such preferences were not recorded, even when they could be frequently exercised, so long as high school graduation remained the stated minimum requirement.

In contrast to clerical jobs, only about a quarter of the respondents mentioned that high school graduation constituted sufficient educational attainment for sales personnel. To be sure, a larger relative number of establishments imposed no educational requirements whatever for salespeople than for any other white-collar group. However, the fact that "sales work" includes jobs with a wide range of job demands was apparent in the significant proportions of respondents who specified some college, junior college, or a college degree as their minimum or preferred requirements.

The proportion of survey employers who indicated that there were any educational requirements whatever for the remaining major occupational groups ranged from about a third in speaking of skilled jobs to less than 15 per cent in the case of service occupations. Where such requirements were observed for skilled workers, high school graduation was generally mentioned. About 10 per cent of the survey employers, however, stated technical training including apprenticeship as minimum or preferred. Including responses as to both minimum and preferred requirements, about a quarter of the respondents specified high school graduation for semiskilled workers; slightly more than 15 per cent for unskilled workers and 12 per cent for service workers. Certain specific jobs in the latter category in protective services and health occupations were excluded from these latter responses.

Substantial differences of practice, by industry, emerge when educational requirements are considered in relation to the industry group of the survey establishment. Using clerical workers as an example (Table 8-23) the industry group least likely to impose educational requirements in connection with their selection of clerical workers was construction. As indicated by the relative number of responses, construction establishments were followed in this respect by those in retail trade and in the transportation and utilities group. This absence of educational requirements, of course, represented in varying proportions those respondents who stated negatively that no limitations existed and those who stated positively that less than high school graduation was qualifying at time of selection.

Again, as judged by the relative frequencies of responses, those establishments most likely to impose educational requirements in hiring clerical workers were in manufacturing, in which clerical wage rates are frequently high and comparatively heavy responsibilities are placed on small staffs of secretaries, typists, and clerks. The existence of minimum or preferred educational requirements was also particularly likely to occur, according to the respondents, in wholesale trade and the finance group of industries, in which preemployment testing, as was noted earlier, was very prominent. In all industry groups, high school graduation was almost entirely the sole qualifying standard when educational requirements were imposed.

Table 8 - 23

Minimum and Preferred Educational Requirements of Survey Establishments in the Selection of Clerical Workers by Major Industry Group - - Bay Area Employer Policy Survey, 1967

Minimum and preferred educational requirements	All industries	Major industry group								
		Mining and construction	Durable goods	Non-durable goods	Transportation and utilities	Wholesale trade	Retail trade	Finance ins. and real est.	Services	Government
All establishments[a]										
Number	306	26	56	61	27	13	32	25	36	30
Per cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
No minimum or preferred requirements	14.4	19.2	12.5	18.0	18.5		18.8	4.0	16.7	10.0
Less than high school graduation	14.4	30.8	8.9	4.9	18.5	7.7*	21.8	20.0	13.9	16.7
Minimum requirements										
High school graduation	61.8	46.2	75.0	68.9	55.6	69.2*	50.0	68.0	55.5	53.3
Some college or junior college graduation or post high school technical or vocational training (including apprenticeship)	1.3			4.9		7.7*				
Preferred requirements										
High school graduation	6.8	3.8	1.8	3.3	7.4	15.4*	9.4	4.0	8.3	20.0
Some college or junior college graduation or post high school technical or vocational training (including apprenticeship)	1.3		1.8					4.0	5.6	

*Percentages based on fewer than 15 cases.
[a]The total excludes employers that did not provide information.

The relationship between the imposition of educational requirements on clerical workers in the selection process and size of establishment (Table 8-24) is less clear than the relationship to industry. It is obvious that smaller establishments, many of which recruit clerical workers at some disadvantage, were less inclined to impose minimum educational requirements than were larger establishments. However, there were many respondents who stated that in their small-sized establishments clerical workers were necessarily more carefully selected than in the mass-type clerical operations characterized by typist pools and much work of a routine and repetitive character. It is quite likely that it is this very factor which makes it possible for educational requirements to play a less prominent role in very large companies, as distinct from the medium-sized.

In connection with educational requirements we also asked those employers who specified that high school graduation was needed for their entry level jobs in unskilled and service occupations, the reason for this demand (Table 8-25).

The largest proportion of responses indicated that this requirement, as had been true of testing in many instances, was related to a strong promotion-from-within policy. And it was their belief that high school graduation indicated promotional potential.

Others saw the completion of high school as indicative of certain character traits they believed desirable. Yet others thought this degree of educational attainment the only way to assure, at the present time, that the applicant possessed the ability to read and, therefore, would be able to understand orders and procedures.

Specific questions concerning educational requirements for a particular occupational group were also asked in connection with managerial occupations. We queried the survey employers, "Do you attempt to select, as potential managers, graduates from any particular colleges, universities, or bueiness or other schools, or from any particular types of such schools?"

For the 100 respondents who found it appropriate to answer this question because they did have a degree requirement, only 17 replied that they looked for graduates of particular types of schools or specific schools. Of these, the largest proportion registered approval of schools that provided backgrounds appropriate for the kinds of managerial jobs to be staffed. Memebers of this group were referring not alone to the firm's specialty in terms of emphasis on a given subject matter field (such as heavy equipment), or to the specific job to be filled (as accountant) but were also stressing a certain "practicality" or vocational element in the school's approach. Hence, the above examples might be followed by naming such schools as a "Cal Poly," Davis, or a Golden Gate College.

A somewhat smaller proportion placed their emphasis on the reputation or the status of the school, specifying "schools that are leaders in providing backgrounds for the managerial jobs to be staffed." With this emphasis the specific schools named might be a University of California, Cornell, Harvard, or a Stanford as examples.

The smallest proportion of respondents placed their emphasis on the

Table 8 - 24

Minimum and Preferred Educational Requirements of Survey Establishments in the Selection of Clerical Workers by Number of Employees
Bay Area Employer Policy Survey, 1967

Minimum and preferred educational requirements	Total	Number of employees				
		Less than 250	250 to 499	500 to 999	1000 to 1999	2000 or more
All establishments[a]						
Number	306	130	72	49	27	28
Per cent	100.0	100.0	100.0	100.0	100.0	100.0
No minimum or preferred requirements	14.4	24.6	6.9	4.1	14.8	3.6
Less than high school graduation	14.4	16.2	11.1	14.3	3.7	25.0
Minimum requirements						
High school graduation	61.8	53.1	68.1	75.6	70.4	53.5
Some college or junior college graduation or post high school technical or vocational training (including apprenticeship)	1.3	1.5	1.4	2.0		
Preferred requirements						
High school graduation	6.8	3.1	12.5	2.0	11.1	14.3
Some college or junior college graduation or post high school technical or vocational training (including apprenticeship)	1.3	1.5		2.0		3.6

[a]The total excludes employers that did not provide information.

Table 8 - 25

Reasons of Survey Establishments for High School Graduation Requirements for Entry Level Jobs in Unskilled and Service Occupational Groups -- Bay Area Employer Policy Survey, 1967

All establishments[a]	
Number	51
Per cent	100.0
Indication of promotional potential	31.4
Indication of ability to complete assignments	15.7
Indication of ability to read and to understand orders and procedures	13.7
Indication of motivation	9.8
Indication of adaptability to training	7.8
Indication of character	5.9
Other reasons	15.7

[a] The total excludes employers that do not employ such workers, employers that did not require high school graduation for unskilled and service entry level workers, and employers that did not provide information. The number of reasons exceeds the number of employers reporting as some employers reported more than one reason.

location of the school, the Western States being the most frequently mentioned, as opposed to the Bay Area, or schools throughout the nation.

We asked concerning the managerial group of occupations, as well, "Do you attempt to select as potential managers, applicants with particular majors or courses of study in their educational backgrounds?" (Table 8-26)

Of the 98 employers answering this question, 77 replied that preferences as to the applicant's majors would affect selection decisions. Together, the 77 employers provided 134 responses concerning preferred majors and courses of study. In some instances, the respondent specifically related the major he selected to the job to be filled, mentioning that the former provided the best or the necessary preparation or background for the latter. Where a variety of occupations was concerned, a small proportion of respondents met the problem of naming the preferred majors not by selecting several specific courses but simply by stating that a major was preferred that provided an appropriate background for the job. In yet other instances, the respondent's choice of a particular major or course of study merely expressed his preference for applicants possessing that particular educational preparation irrespective of the latter's relationship to the position to be filled.

The relatively strong preferences expressed for applicants possessing business administration or engineering majors were not always based on an immediate and direct relationship between the disciplines named and the probable job duties of the applicant once hired. Such preferences, in fact, often expressed the employer's belief that the completion of these majors, more than of others was evidence of a commitment to the business community, an understanding of modern technology, or a demonstration of various work habits and other characteristics relevant to the selection decision.

Selection practices -- educational requirements and major industry group of entry level jobs. One series of questions was asked of the respondents because of the often-expressed complaints of school counselors and of employment interviewers working with youth as to the dearth of information concerning entry level jobs.

We defined "entry level jobs" (and possibly they might better have been termed "jobs for entrant youth") as "jobs with promotional potential and requiring no prior work experience."

It must be understood at the outset that the relative relationships shown in our data as to the frequencies with which one type of job occurs as compared with another are not representative of the numerical significance of that job in the labor market. The proportions shown are only imperfectly representative of the proportions of employers who would be seeking entrant workers in the subject occupation. Further, the proportions shown in our data may not be related at all to the significance, in terms of relative numbers of job openings, of a particular occupation -- either in the aggregate of survey establishments or in the labor market itself.

We asked the respondents to describe their job openings for entrant level workers as defined. We did not attempt to structure their replies in quantitative terms, other than that we accepted no more than three answers from any

Table 8 - 26

Majors or Courses of Study Preferred by Survey Establishments for Potential Managers -- Bay Area Employment Policy Survey, 1967

All establishments[a]	
Number	134
Per cent	100.0
Business administration	41.0
Engineering	30.6
Natural sciences	10.5
Humanities	8.2
Major "providing background appropriate to the job"	6.0
Other majors or courses of study	3.7

[a] The total excludes employers not requiring a college degree for managers, and employers not providing information. The number of responses exceeds the number of establishments as some employers mentioned more than one preference.

respondent for each of the two types of jobs noted below. Most employers did shape their free answers to represent those entry jobs most numerous in their establishments. However, there were others who because of the limitations on mention of more than three jobs rejected such "old, familiar jobs," as they called them, as typist clerks and stock boys. Rather, they mentioned less familiar types of jobs in preference because, as they stated, they believed the "people in the schools" did not realize such jobs existed for youth without prior work experience.

The interviewers took great care to define "entry level" jobs, always specifying that prior work experience was not to be a condition of employing the worker. In some instances the employer stated that he preferred to hire young people who had worked part time or during vacations before selecting them for a career-type job. However, this preference -- stated because of its bearing on problems of work motivation and work discipline -- was not expressed as a qualification standard for hire. Nor were the specific work duties of this prior part-time work experience in any way related to the duties of the career-type job.

The interviewers were also most specific in indicating that the entry job must have promotional opportunities. Their insistence on this point was all greater when the job mentioned was characterized by a particularly low skill level or was of obviously low status. We have no reason to believe that this insistence was disregarded by the respondents -- particularly in view of their often lengthy descriptions of the job history of the company president or Chairman of the Board, their dedication to a strong promotion-from-within policy, and their evident belief in the values of "starting at the bottom of the ladder."

Despite the strong admonitions given above as to disregarding the relative proportions of the different types of jobs cited by the survey employers, it should be of interest that of the two general categories of entry level jobs included in our data, the category demanding the least educational preparation was the most numerously mentioned. This fact, of course, reflects in great measure the presence of large numbers of entry level clerical jobs in the Bay Area labor market. And this numerical and relative prominence scarcely is relevant to the problem of finding "first jobs" for young men with no more than a high school education, if that. The number of responses, however, that did indicate "first jobs" with promotional opportunities and which demanded comparatively little educational attainment should give pause to those maintaining there are "no jobs" answering this description.

The first category of jobs mentioned within the terms expressed above were those at the lower level of educational qualifications. We asked the respondents, "Do you have an entry level job or jobs with at least some promotional potential, but requiring no prior work experience and no more than high school graduation?" (Table 8-27) Of the employers providing this information, 271 answered affirmatively and described 540 jobs in their establishments (not all of them different jobs as various similar opportunities were cited by several employers).

Responses indicating the existence of job openings in professional and technical occupations for entrant level workers with no better than high school graduation were, of course, few and far between. Such jobs of this type as did

Table 8 - 27

Entry Level Occupations at Survey Establishments Requiring No Prior Work Experience and No More Than High School Graduation By Major Industry Group -- Bay Area Employer Policy Survey, 1967

Occupation	All industries	Major industry group								
		Mining and construction	Durable	Non-durable	Transportation	Wholesale trade	Retail trade	Finance, insurance and real est.	Services	Government
All establishments[a]										
Number	540	28	85	93	62	29	64	52	57	70
Per cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Professional occupations	0.2								1.8	
Professional occupations unspecified									x	
Technical occupations	1.2	7.1		1.1[b]					3.5	1.4
Junior or apprentice draftsmen; draftsmen		x		x						
Teachers' aides										x
Dietary technicians									x	
Clerical occupations	51.1	53.6	42.3	36.5	54.9	55.2	46.0	94.2	59.5	40.0
Clerical or office jobs		x	x	x	x	x	x	x	x	x
Secretaries, stenographers or junior stenographers			x		x				x	x
Typists, typist-clerks, junior typists, junior typist-clerks		x	x	x	x	x	x	x	x	x
Clerks or junior clerks		x	x	x	x	x	x	x	x	x
Office machine operators (including key punch or duplicating machine operators)		x	x	x	x		x	x	x	x
Telephone operators, receptionists, messengers, office girls or boys		x	x	x	x	x	x	x	x	
Stock clerks and shipping clerks			x			x	x		x	
Other clerical occupations		x		x						

(Table continued)

Table 8 - 27, continued

Occupation	All industries	Major industry group								
		Mining and construction	Durable	Non-durable	Transportation	Wholesale trade	Retail trade	Finance, insurance and real est.	Services	Government
Sales occupations	4.8				3.2	6.9	31.3		3.5	
Sales persons and sales clerks					x	x	x		x	
Skilled occupations	0.7	3.6							1.8	2.9
All skilled occupations		x							x	x
Semiskilled occupations	11.5	10.7	20.0	18.3	17.7	6.9	6.3		1.8	10.0
Truck drivers; bus drivers; truck drivers' helpers					x					
Trades helpers or general helpers		x	x	x	x					x
Apprentices in the skilled trades		x	x	x	x	x	x			x
Machine operators (except unskilled)					x					
Assemblers			x		x				x	
Inspectors					x					x
Other semiskilled occupations		x	x	x	x		x			x
Unskilled occupations	19.8	25.0	31.8	43.0	21.0	24.1	6.3		5.3	8.6
Laborers, including materials handlers		x	x	x	x				x	x
Warehousemen and lumpers		x		x	x	x	x			
Machine operators (except semiskilled)			x	x		x			x	
Wrappers or mailers				x			x			
Lube and wash men (garage)				x	x		x			
Other unskilled occupations			x	x	x	x				
Service occupations	10.7		5.9	1.1	3.2	6.9	9.4	5.8	22.8	37.1
Custodians			x	x					x	x
Police and firemen										x
Attendants							x	x	x	
Waiters, waitresses									x	x
Cooks							x			
Nurses' aides										x
Groundsmen or yardmen					x					x
Busboys and related food service workers							x	x	x	x
Other service occupations						x			x	x

Footnote following

Table 8 - 27, continued

[a]The total excludes employers that did not provide information. The total exceeds the number of employers reporting as s some employers reported more than one occupation.
[b]The entry "x" indicates that one or more establishments in the industry group shown reported an entry job in the subject occupational group.

exist were largely in construction establishments and often reflected on-the-site assignments for engineering assistants and the like.

More than half of all responses concerning entry jobs at the lower level of educational preparations were in clerical occupations, with jobs for junior clerks and typists relatively the most often mentioned as would be expected. The demand for entrant clerical workers was expressed relatively most often by employers in the finance complex of industries. Employers in nondurable goods manufacturing showed relatively the least propensity to mention clerical opportunities for entrant workers. The comparatively small showing for government employers in this respect would be misleading if interpreted as an expression of their unimportance as a source of job opportunities for entrant clerical workers. Rather their relatively low proportion of responses relating to entrant clerical opportunities merely reflected the greater relative weight given by these employers to other job openings, largely in protective, health, and educational services.

Industrial-type job opportunities at the lower educational level were, as mentioned above, relatively less important than for those in clerical occupations with all that this implies for young men seeking employment. Relatively the largest proportions of such jobs as were mentioned by the respondents were indicated as occurring at the unskilled level and in establishments from such major industry groups as nondurable and durable goods manufacturing, construction, and wholesale trade.

Of those survey employers providing similar information as to the existence in their establishments of job openings for entrant workers at a higher level of educational preparation, 182 answered affirmatively that their establishments did offer jobs to youths with such educational qualifications as graduation from junior college or a college degree. Those jobs, also were carefully specified as demanding no prior work experience and as characterized by promotional potential. (Table 8-28) In all, the respondents described 290 such jobs in their establishments again not all of them different jobs as several were mentioned by more than one employer.

Relatively the largest proportion of survey establishments describing entry jobs at the higher educational level mentioned opportunities in professional occupations. More than half of these responses reflected job openings for engineers, and a substantial proportion represented a need for accountants. Opportunities for engineering personnel were reported from establishments in all major industry groups except retail trade and the finance group of industries. Entrant accountants were mentioned as wanted by establishments in all major industry groups.

The next highest proportion of responses reflected job opportunities for entrant workers in managerial occupations. These responses quite frequently were related to spots in management training programs. Opportunities for entree into management by young workers were mentioned by respondents from all major industry groups except services, and with the greatest relative frequency by employers in retail trade.

As reflected by the responses given, entrant jobs were next most likely to exist in the survey establishments for workers in technical occupations.

Table 8 - 28

Entry Level Occupations at Survey Establishments Requiring No Prior Work Experience But Requiring Graduation From a Junior College or a College Degree, by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Occupation	All industries	Major industry group								
		Mining and construction	Durable	Non-durable	Transportation	Wholesale trade	Retail trade	Finance, insurance and real est.	Services	Government
All establishments[a]										
Number	290	20	62	58	25	12	14	33	23	43
Per cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Professional occupations	42.7	80.0	35.5	39.6	32.0	50.0	21.4	15.2	43.5	72.0
Teachers										x
Social welfare workers, probation officers										x
Registered nurses			x						x	x
Pharmacists							x			
Engineers, junior engineers, engineering trainees; chemists		x	x	x	x	x			x	x
Accountants, junior accountants, accountant trainees		x	x	x	x	x	x	x	x	x
Attorneys									x	
Other professional occupations		x		x	x			x		x
Technical occupations	16.6	10.0	27.4	19.0	4.0	25.0			43.5	9.3
Technicians, junior technicians			x	x		x			x	x
Draftsmen, junior draftsmen		x	x	x	x					
Medical technicians and technologists									x	x
Laboratory technicians and assistants; research technicians			x	x					x	
Programmers, EDP				x		x				
Other technical occupations			x							

/Table continued/

Table 8 - 28 , continued

Occupation	All industries	Major industry group								
		Mining and construction	Durable	Non-durable	Transportation	Wholesale trade	Retail trade	Finance, insurance and real est.	Services	Government
Managers and officials	20.0	10.0	19.4	25.9	24.0	8.3	71.5	24.2		9.3
Assistant supervisors, supervisor trainees			x	x			x	x		x
Management trainees		x	x	x	x	x	x	x		x
Other managerial occupations										x
Clerical occupations	12.8		9.7	6.9	24.0			48.5	13.0	4.7
Clerks (including accounting clerks); production clerks and assistants			x	x	x			x		x
Office machine operators (including key punch and duplicating machine operators)					x			x	x	
Claims trainees					x			x		
Other clerical occupations				x						
Sales occupations	6.2		4.8	8.6	12.0	16.7	7.1	12.1		
Salesmen			x	x	x		x			
Junior salesmen or sales trainees			x	x	x	x		x		
Skilled occupations	0.7		3.2							
Skilled occupations unspecified			x							
Service occupations	1.0				4.0					4.7
Nurses' aides										x
Other service occupations					x					

[a] The total excludes employers that did not provide information. The total exceeds the number of employers reporting as some employers reported more than one occupation.

[b] The entry "x" indicates that one or more establishments in the industry group shown reported an entry job in the subject occupational group.

Such opportunities, in fact, were reported as existing in establishments representing all major industry groups except retail trade and the finance group. Their heaviest mention, relatively, occurred in services, wholesale trade, and durable goods manufacturing establishments. The great variety and detail of the many professional assistant, professional aide, technician, technologist, and "semi-professional" job opportunities described by the respondents, is, unfortunately lost in the consolidation of such job opportunities as is necessary in the presentation of our data.

Clerical occupations, generally representing jobs at a considerably higher skill level than the clerks and typists so numerously represented in our first category of entry level jobs assumed next relative importance in the responses of the survey employers. Mention of sales occupations was also relatively significant considering the small proportion of all respondents concerned with recruitment and selection in this occupational field. Finally, data characterizing industrial-type and service job openings at the higher level of educational attainment were too fragmentary and too scarce to judge of their relative importance in the total picture of job opportunities for entrant workers. Some employers who were keenly interested in discussing such jobs, we know, had already exhausted their "three choices" before the opportunity arrived for them to describe job openings in their establishments for educationally better-prepared young people in other than white-collar jobs.

Selection practices -- requirements of outside organizations. As we recognized that the survey establishments might be far from autonomous in many of their decisions respecting qualifications standards and the selection process, this subject was explored, though briefly. We asked, "Do requirements imposed by outside organizations affect the local establishment's selection practices?" Slightly more than two-thirds answered affirmatively; a little less than one-third, negatively.

The 208 respondents who judged their establishments subject to some control over their selection of new hires gave 316 responses, naming various "organizations" as exercising this control. However, the relative frequencies with which these outside sources of control were mentioned will not be presented as there is evidence to suggest that "control" was various defined by different respondents. Also, it is quite probable that lapses of recollection were present in many instances. As examples, some government establishments mentioned civil service requirements as limiting their freedom of selection whereas others did not. Some respondents with collective bargaining agreements requiring hiring through unions for workers in one or more of the occupations they recruited alluded to these agreements while others did not. One hospital administrator would regard licensing standards as limiting his freedom of choice while another would fail to regard them as such.

We will, however, list these outside sources of control over freedom of selection in the sequence of frequency with which they were named. Even though this sequence may not accord with the relative importance of these various controls in actual fact, it will provide, at least, an accurate reflection of the comparative weight ascribed by the respondents to outside influences and controls over selection when, suddenly, they were confronted with naming them.

This sequence is as follows -- with collective bargaining agreements

account for more than one-third of all answers given, and local or state regulations accounting for almost another one-third. Information on the extent to which employer associations affect employment policies of member establishments was presented in Section VI.

Terms of collective bargaining agreement
Local or state regulations including licensing
Requirements of headquarters office
Various types of federal regulations including civil service
Standards of professional associations
Standards of employer associations

Selection practices -- efforts to select applicants with particular characteristics. The respondents were asked, "Has the establishment made particular efforts to select applicants from any such groups as youth, school dropouts, older workers, racial minorities," or other special worker groups? Of the 308 establishments providing answers to this question, 208 or more than two-thirds replied affirmatively. About one-quarter or 79 answered negatively. A relatively small proportion of employers replied that no particular efforts were made as it was customary for members of minority groups to comprise a large percentage of their work force. The small remainder stated that no particular efforts were made as their recruits were obtained through the union.

Next, we asked those employers who had mentioned particular efforts in this respect to describe the nature and extent of these efforts to accord such special treatment.

The 203 establishments referring to the particular efforts they had made on behalf of special types of applicants provided 427 responses. Of these responses, 298 indicated that the employer was working with various organizations and agencies in order to facilitate his recruitment and selection of applicants from various special worker groups. The remaining 129 responses described actions taken by the establishment directly on behalf of these groups.

These various responses can be roughly categorized under the following headings and are presented in order of the frequency of mention.

Of the 298 responses describing the cooperation of the employer with various organizations and agencies, 272 responses indicated that the employers' work with these organizations was exclusively or primarily directed to helping members of minority groups. The organizations and agencies named in a significant number of responses were, in the order of frequency mentioned, as follows:

Urban League
California Department of Employment
Job Corps and Skills Centers
"Plans for Progress"
NAACP
OICW
PACT
Bureau of Indian Affairs
Chamber of Commerce

Most of the remaining responses describing efforts with organizations and agencies to promote the selection of other disadvantaged workers, mentioned efforts to assist the establishment in providing jobs for youth. The remainder were concerned with hiring the handicapped. The organizations specified in connection with efforts to hire youth in order of the frequency of their mention were as follows:

Local school departments
Neighborhood Youth Corps
"Job Fairs"
California Youth Authority
Local colleges
Camp Parks

Of the 129 responses describing actions taken directly by the establishment to assist applicants from special groups, 80 reflected hiring members from racial minorities under other than usual circumstances -- either in larger numbers than formerly, or as the result of special recruitment efforts or modified selection practices.

An additional 27 responses indicated that the establishment had altered its recruitment and selection practices in order to hire increased numbers of minority group applicants. These responses in order of their number indicated the establishment had:

Lowered qualifications standards
Specified a preference for minority group workers on job orders
Directed recruitment advertising to minority group workers
Eliminated or modified pre-employment tests

The remaining 22 responses described particular efforts undertaken to increase the establishment's hires of older workers, youth, or to participate in special training programs.

Selection practices -- applicant groups "avoided." It seemed only equitable after asking the respondents concerning those groups from which they might be making special efforts to select employees if there were other groups whose members they made special efforts to avoid hiring. Consequently, a list of such groups was given the respondent, and he was asked, "Has the establishment shown a marked reluctance to hire workers from the following groups?" An "other" category was supplied in addition to our prelisted groups but the coaching we had received during our pilot interviews proved excellent in this instance. As was not usual in the survey, the free answer category netted no additional items with sufficient frequency to tabulate.

Of the 309 survey employers, 303 provided information for the above inquiry by naming one or more groups from among which they were markedly reluctant to hire new workers (Table 8-29).

Heading this list because of the relative frequency of its selection was the category term "Job Hoppers." Following at a considerable distance were the responses naming the long-term unemployed as a group whose members were hired with reluctance. About equal proportions of the responses indicated that the

Table 8 - 29

Specific Groups of Workers from Among Which Survey Establishments Show a "Marked Reluctance to Hire" -- Bay Area Employer Policy Survey, 1967

Specific groups of workers	Total[a]		Attitudes	
	Number	Per cent	Marked reluctance to hire	No marked reluctance to hire
Job hoppers	303	100.0	70.6	29.4
Long-term unemployed	303	100.0	41.6	58.4
Persons living at a distance from the establishment	303	100.0	22.4	77.6
Physically handicapped	303	100.0	21.1	78.9
Employees of competitors	303	100.0	20.5	79.5
Housewives with child care responsibilities	303	100.0	17.5	82.5[b]
Employed job seekers	303	100.0	3.3	96.7

[a] The total for each specific group of workers excludes employers that did not provide information.

[b] Includes 8.3 per cent with no marked reluctance to hire provided housewives had made arrangements for child care responsibilities.

survey establishments were not always eager to hire persons living at a distance from their work, the physically handicapped, or employees of competitors. Relatively fewer responses were concerned with housewives having child care responsibilities. Almost one-half of the latter responses, moreover, carried the volunteered proviso there would be no reluctance to hire an applicant in this category if she had made the necessary arrangements to take care of her responsibilities. Practically no responses indicated a reluctance to hire employed job seekers. In fact, a large proportion of respondents disregarded their earlier strictures against labor turnover and their comments about "job hopping" mentioned that any employed job seeker with a needed skill would be very much more than welcome as a job seeker at <u>their</u> establishments.

We then asked the respondents the reasons for their marked reluctance to hire workers in the groups they had named (Table 8-30).

Most reasons explaining the reluctance of the survey establishments to hire job hoppers viewed this type of worker as a costly investment. He was characterized as a "poor risk" not only because he was regarded as unreliable, but also as excessively turnover prone. Many employers expressed their negative attitudes regarding the job hopper with a description of their positive policies to hire for the long term. A marked reluctance to hire the job hopper was expressed irrespective of industry group.

The long-term unemployed were characterized in these responses almost as frequently as the job hopper with the same words -- a "poor risk." However, in this case, the appellation related to certain undesirable characteristics the employers thought any worker long unemployed in the present labor market likely to possess. Employers, quite simply, either suspected the work motivations of persons long unemployed and seeking work, or they were suspicious of lengthy periods in a work record that lacked satisfactory explanation. It should be noted that the respondents sometimes construed long absence from the labor market as long-term unemployment, but this misunderstanding was generally, we believe, detected and resolved at the time of the interview.

The largest proportion of reasons related to the reluctance of survey employers to hire workers living long distances from the establishment again stressed the matter of turnover. In many instances the respondents mentioned that "how far away the executives lived" was of no concern. However, long commutes were generally regarded as causes of turnover if employees in the lower pay scales were involved and particularly clerical workers. A small proportion of responses involved special circumstances as the requirement that such employees as police officers be readily available for emergency calls even when off duty.

Reasons explaining a reluctance to hire the physically handicapped were predominantly related to the nature of the job to be filled. Many respondents commented on the fact they would not only be reluctant to hire but would <u>not</u> hire the handicapped for many jobs in their establishments. However, they pointed to job adjustments they had made for these workers in their less physically demanding activities. A reluctance to hire the physically impaired was expressed with much more than average frequency, as would be expected, in the transportation industries, the heavier types of manufacturing, and in construction (detail not shown). Not to be ignored in this connection, too, was the

Table 8 - 30

Reasons for a "Marked Reluctance to Hire"
Specific Groups of Workers in Survey Establishments --
Bay Area Employer Policy Survey, 1967

Reasons for a marked reluctance to hire	Specific groups of workers: Job hoppers	Long-term unemployed	Persons living at a distance from the firm	Physically handicapped
All establishments[a]				
Number	219	123	59	62
Per cent	100.0	100.0	100.0	100.0
Poor risk, not reliable	24.7	22.2	10.2	
Costly	5.9		5.1	
Unstable; high turnover rate; wants employees to stay; hires for the long term	50.6	23.5	25.3	
Motivation questionable	1.4	5.7		
Absenteeism			8.5	
Undesirable attitude	1.4			
Background questionable; period of long-term unemployment raises questions as to why?		24.3		
Loss of aptitude or skills		4.9		
Experience has been unsatisfactory	5.0	7.3	5.1	
Safety reasons; dangerous kind of work; cannot fit into the operation				83.9
Liability under workmen's compensation laws				4.8
Need to be able to respond to emergencies			11.9	
Distance leads to turnover and instability			10.2	
Transportation difficulties			8.5	
"Obvious" reasons	4.1	3.3		
Undesirable; poor practice; potential problems	3.2	3.3		
Other reasons	3.7	5.7	15.2	11.3

/table continued/

Table 8 - 30 (continued).

Reasons for a marked reluctance to hire	Specific groups of workers: Employees of competitors	Housewives with child care responsibilities	Employed job seekers
All establishments[a]			
Number	61	56	8*
Per cent	100.0	100.0	
Poor risk; not reliable		21.4	
Unstable; high turnover rate; wants employees to stay; hires for the long term		16.1	
Absenteeism		33.9	
Experience has been unsatisfactory		10.7	
Not considered an ethical practice	13.1		
"No raiding" pacts with competitors	73.8		
"Obvious" reasons		5.4	
Other reasons	13.1	12.5	

*Percentages not computed because of the small number of cases.

[a] The total for each specific group of workers excludes employers that had no marked reluctance to hire such workers and employers that did not provide information. The totals may exceed the number of employers reporting as some employers reported more than one reason.

reason, sometimes advanced, of a firm's increased liability under workman's compensation laws in cases of second injuries.

Reasons expressing a reluctance to hire the employees of competitors centered largely on "gentlemen's agreements" with competitors. Some reasons, too, appeared to evidence a sincere belief that the practice was unethical. Respondents mentioning a reluctance to hire the employees of their competitors were to be found with above average frequency in such industries as wholesale and retail trade, the finance group, and construction (detail not shown).

The reluctance to hire housewives with child care responsibilities was unrelated to industry, and it expressed, according to the frequency with which the reason was put forward, primarily a strong concern with the absenteeism that usually characterizes these workers. The term "poor risk" was also frequently applied to such workers. As mentioned earlier, however, many of the employers who expressed reluctances to hire from this group were willing to do so if presented with evidence that satisfactory child care arrangements had been made.

As noted earlier, scarcely a hand was raised against the employed job seeker. In consequence, the reasons advanced to account for such reluctance as was manifested towards hiring these workers were not sufficiently numerous to consider their distribution as significant.

Footnote to Section VIII

1. Jay T. Rusmore, Psychological Tests and Fair Employment, A Study of Employment Testing in the San Francisco Bay Area (San Jose: San Jose State College, State of California Fair Employment Practice Commission, January, 1967), p. 7.

X. Wage Policy and Wage Differentials

General wage and salary increases. In the postwar period, general wage and salary increases, often at annual intervals, have come to be taken for granted. However, our data suggest that they are not always as "general" as may commonly be supposed. True, the great majority of establishments in our sample (about 90 per cent) indicated that they followed a practice of granting general wage and salary increases. But only rarely, in private employment, did such increases apply to all employees. In the majority of cases, the most recent increase granted by these establishments applied to a group or groups of union and/or blue-collar employees (Table 10-1). (The prevalence of multi-employer bargaining in the area, and the multiplicity of unions represented in many of the establishments, discussed in Section VI, should be recalled in this connection.)

In a considerably smaller proportion of cases, but amounting in all to more than a fifth of the most recent increases, they applied to all union and/or blue-collar employees, while in nearly as large a proportion of cases they applied to specified or unspecified groups of nonunion white-collar employees. Less frequent still were increases applying to all employees, while rarest of all were those applying to groups of union white-collar workers. Incidentally, this last point provides further evidence, along with data discussed in Section VI, of the relative weakness of unionism among white-collar workers, as compared with blue-collar and service workers.

The contrast between the private sector and the public sector in the applicability of general wage increases is striking (Table 10-2). Nearly three-quarters of the most recent general wage increases granted by the governmental units in our sample applied to all employees, as compared with less than a tenth of those in all industry groups. And, if we compute the proportion for private employers alone, we find that it amounted to only 3.1 per cent.

These findings suggest that private employers tend to be quite selective in granting general wage and salary increases, responding to union pressures, or to evidence that compensation for certain groups of employees needs to be adjusted upward to keep it in line with prevailing trends. Government agencies, sensitive to political considerations, are evidently more hesitant to discriminate among their employees in the granting of general wage and salary increases. Even though public employers have had no difficulty in recruiting unskilled workers in the Bay Area in recent years, whereas there have been critical shortages of applicants for professional and technical jobs and for some other types of jobs, such as policemen and public health workers, a government agency which excluded unskilled workers from a general increase would be subject to the criticism of having discriminated against its lowest paid workers. Another factor, of course, is the relative absence of collective bargaining in public agencies. Although it is fairly common for unions to present wage and salary demands on behalf of groups of members whom they represent in public employment, the absence of actual bargaining removes an element which might lead to different settlements for different groups. It may be that, as a result of recent liberalizing amendments to California state legislation relating to collective bargaining rights in public employment, this pattern may change.

Table 10 - 1

Employees Affected by Establishment's Most Recent General Wage Increase -- Bay Area Employer Policy Survey, 1967

Employees affected	1st response	2nd response	All responses
All establishments[a]			
Number	274	274	274
Per cent	100.0	100.0	117.3[a]
All employees	11.3	--	11.3
All union and/or blue-collar employees	21.2	1.5	22.6
Some union and/or blue-collar employees -- exact group unspecified	17.2	--	17.2
Some union and/or blue-collar employees -- exact groups specified	37.9	1.1	39.1
Some union white-collar employees -- exact groups unspecified	1.1	0.4	1.5
Some union white-collar employees -- exact groups specified	1.5	2.6	4.0
Some nonunion white-collar employees -- exact groups unspecified	2.9	4.7	7.7
Some nonunion white-collar employees -- exact groups specified	6.9	6.9	13.9
No second response		82.8	

[a]Total exceeds 100.0 per cent because some establishments gave more than one response.

Table 10 - 2

Employees Affected by the Establishment's Most Recent General Wage Increase
by Major Industry Group --
Bay Area Employer Policy Survey, 1967

Major industry group	Total		All employees	All union and/or blue-collar	Some union or blue-collar groups	Some union white-collar groups	Some nonunion white-collar groups
	Number	Per cent					
All responses[a]	321	100.0	9.7	19.3	47.9	4.7	18.4
Mining and construction	29	100.0	--	6.9	69.0	--	24.1
Manufacturing							
Durable	62	100.0	4.8	33.9	43.6	--	17.7
Nondurable	69	100.0	1.4	20.3	62.4	4.3	11.6
Transportation and utilities	37	100.0	--	8.1	56.8	18.9	16.2
Trade	47	100.0	--	21.3	55.3	2.1	21.3
Finance, insurance and real estate	4	100.0	50.0*	25.0*	--	--	25.0*
Services	43	100.0	7.0	9.3	39.5	9.3	34.9
Government	30	100.0	73.4	23.3	--	--	3.3

*Percentages based on fewer than 15 cases.

[a]Total excludes some establishments for which information on employees affected by the most recent general wage increase was not available. It also excludes establishments which do not follow the practice of granting general wage increases. Nevertheless, total responses exceed the total of all establishments, because some of the recent general wage increases had affected more than one of the groups of employees included in our classification.

It should also be recognized that private employers, involved in multi-employer agreements relating to various groups of union employees, are likely to have quite separate wage structures for these union groups, whereas public agencies typically have a single wage and salary structure, which would require extensive modifications and adjustments if differential increases were granted to various groups of employees. Although specific increases are granted to particular classifications from time to time, to correct inequities or to aid in recruiting and retaining those in shortage occupations, an effort tends to be made to keep such specific class increases to a minimum in order not to disturb relationships within the overall structure.

Another important consideration is that the lowest paid workers in public agencies -- laborers, gardeners, janitors, garbage collectors, etc. -- perhaps even more than in private employment are likely to be members of minority groups. Thus, charges of discrimination would take on particular significance if unskilled workers were excluded from general wage and salary increases.

The contrast between public and private employment, in connection with general increases, should not, however, be overemphasized. It must be recognized that the "most recent" general increase may have been preceded only a short time before, or might be destined to be followed a short time thereafter, by a similar increase applying to another group of employees. There is considerable evidence that there are strong pressures in private employment against depriving groups of employees, for very long, of increases comparable to those that have been granted to other groups. And, indeed, unionism would probably be stronger among white-collar workers than it is, if increases negotiated under collective bargaining agreements were not followed fairly frequently by somewhat similar increases to white-collar employees. Certainly the annual data collected on wage and salary trends in the Bay Area do not suggest that professional and other white-collar workers have lagged behind blue-collar workers in annual rates of increase in compensation in recent years.[1] The selectivity of general increases granted by private employers is undoubtedly influenced by a desire to retain the flexibility that will permit differential increases for various groups of workers, geared to differences in labor market conditions for different occupation groups.

As to the form which general wage and salary increases take in these establishments, flat dollar-and-cents increases tend to predominate (Table 10-3). This is clearly related to the high proportion of general increases which are granted to union groups. Moreover, the proportion of increases taking the form of flat dollar-and-cents raises tends to be highest in the major industry groups in which relatively large proportions of establishments are covered by collective bargaining agreements (Tables 10-4 and 10-5).[2]

Next in relative importance to flat dollar-and-cents increases are flat percentage increases. Moreover, such increases tend to predominate in government agencies and to be granted with greater than average frequency in transportation and utilities. However, they are relatively rare in trade.

Range increases are most infrequent in several major industry groups, and nonexistent in some, but occur with greater than average frequency in the finance group, services, and government. Range increases may differ from flat percentage increases or flat dollar-and-cents increases in that the amount of the percentage increase or the amount of the dollar-and-cents increase may

Table 10 - 3

Types of General Wage Increases Granted by Establishments -- Bay Area Employer Policy Survey, 1967

Type of increase	1st response	2nd response	3rd response	All responses
All establishments				
Number	309	309	309	309
Per cent	100.0	100.0	100.0	120.7[a]
Flat percentage increase	30.1	0.6	--	30.7
Flat dollars-and-cents increase	52.1	12.0	--	64.1
Range increase with one-step raise for all within range	2.3	2.3	--	4.5
Range increase with individual adjustments	1.9	5.8	1.6	9.4
Range increase, type unspecified	1.0	0.3	--	1.3
Other	0.3	--	--	0.3
Does not grant general wage increases	10.4			10.4
Information not available or no 2nd or 3rd response given	1.9	79.0	98.4	--

[a]Total exceeds 100.0 per cent because some establishments gave more than one type of increase.

Table 10 - 4

Types of General Wage Increases Granted by Establishments[a], by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Major industry group	Total		Flat percentage increase	Flat dollar and cents increase	Range increase	Does not grant general increases	Other, or information not available
	Number	Per cent					
All establishments	309	100.0	30.1	52.1	5.2	10.4	2.2
Mining and construction	26	100.0	23.1	76.9	--	--	--
Manufacturing							
Durable	57	100.0	24.6	57.8	--	10.5	7.1
Nondurable	62	100.0	32.3	64.5	3.2	--	--
Transportation and utilities	27	100.0	44.4	48.2	3.7	3.7	--
Trade	46	100.0	15.2	78.3	--	4.3	2.2
Finance, insurance, and real estate	25	100.0	--	--	16.0	84.0	--
Services	36	100.0	38.9	44.4	13.9	2.8	--
Government	30	100.0	66.7	10.0	13.3	3.3	6.7

[a]Based on the establishment's first response (see Table 10-3).

Table 10 - 5

Types of General Wage Increases[a] Granted, by Major Industry Group --
Bay Area Employer Policy Survey, 1967

Major industry group	Total		Flat percentage increase	Flat dollar and cents increase	Range increase	Does not grant general increases
	Number	Per cent				
All responses[a]	367	100.0	25.4	53.9	12.0	8.7
Mining and construction	34	100.0	17.6	73.6	8.8	--
Manufacturing						
Durable	64	100.0	21.9	59.3	9.4	9.4
Nondurable	75	100.0	26.7	64.0	9.3	--
Transportation and utilities	35	100.0	34.3	57.1	5.7	2.9
Trade						
Wholesale	15	100.0	6.7	79.9	6.7	6.7
Retail	38	100.0	15.8	73.7	7.9	2.6
Finance, insurance, and real estate	26	100.0	--	--	19.2	80.8
Services	47	100.0	29.8	44.7	23.4	2.1
Government	33	100.0	60.6	18.2	18.2	3.0

[a]Based on the sum of the first and second responses by establishments.

vary between the lower and higher levels of an existing wage and salary structure. For example, in the federal government in recent years, the lower level grades received percentage increases of lesser magnitude than the upper levels. Similarly, dollar-and-cents increases may be higher at the upper levels than at the lower levels. One-step increases within rate ranges are frequent methods of utilizing ranges for general increases to all employees. Ordinarily, the bottom and the top of the range are moved ahead one step in this type of adjustment. And, as indicated in our classification, range increases may or may not be accompanied by individual adjustments.

Finally, it should be noted that, although about a tenth of the establishments indicated that they did not follow a policy of granting general wage and salary increases, the proportion which did not amounted to 84 per cent in the least unionized private sector -- finance, insurance, and real estate. Among the other major industry groups, establishments that did not grant general increases were nonexistent or almost nonexistent in all groups but durable goods manufacturing, in which the proportion not granting general increases was about equal to the overall average.

Wage differentials within the area. Detailed analysis of such wage differentials as may exist within the area must await subsequent work on Part II of the schedule used in the survey. However, interviewees were asked to provide their own assessment as to how wage rates in their establishment compared with those paid by other Bay Area establishments engaged in similar activities -- for white-collar, blue-collar, and service workers.

Probably the most significant result of this line of questioning was the indication that there were more likely to be wage differences within the area for white-collar workers than for blue-collar or service workers (Tables 10-6 to 10-8). More than four-fifths of the establishments that employed blue-collar workers indicated that their wage rates for employees in this group were about the same as those of other Bay Area establishments engaged in similar activities, while an even larger percentage of the somewhat smaller number of establishments employing service workers gave this response. The corresponding proportion for white-collar workers was about 65 per cent. These differences are probably in large part related to the far greater degree of unionization of blue-collar and service jobs, although the relative heterogeneity of white-collar jobs may also have influenced some of the responses.

To the extent that interviewees indicated that their wage rates differed from prevailing rates, they assessed them as higher in most cases. Relatively few respondents thought their wage rates were below prevailing rates.

Variations among major industry groups in patterns of responses were not very pronounced, although in connection with both white-collar and blue-collar workers, establishments in transportation and utilities were relatively likely, and those in service industries were comparatively unlikely, to report higher rates. Of some interest, also, is the fact that the proportion of government agencies reporting lower rates for white-collar workers and blue-collar workers was somewhat above the average. Little significant variation was found in the case of service workers (data not shown).

Patterns of variation by size of establishment might have been expected,

Table 10 - 6

Estimated Relation of Wage Rates Paid by Establishment to Rates Paid by Other Bay Area Establishments Engaged in Similar Activities, for White-Collar Workers, by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Major industry group	Total		Higher	Lower	About the same
	Number	Per cent			
All establishments[a]	292	100.0	30.1	4.5	65.4
Mining and construction	24	100.0	33.3	4.2	62.5
Manufacturing					
Durable	54	100.0	25.9	1.9	72.2
Nondurable	59	100.0	37.3	6.8	55.9
Transportation and utilities	27	100.0	44.4	3.7	51.9
Trade	42	100.0	28.6	--	71.4
Finance, insurance and real estate	24	100.0	33.3	--	66.7
Services	34	100.0	17.6	5.9	76.5
Government	28	100.0	21.4	14.3	64.3

[a]Total excludes establishments not reporting information on relative wage rates.

Table 10 - 7

Estimated Relation of Wage Rates Paid by Establishment to Rates Paid by Other Bay Area Establishments Engaged in Similar Activities, for Blue-Collar Workers, by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Major industry group	Total		Higher	Lower	About the same
	Number	Per cent			
All establishments[a]	257	100.0	12.8	4.3	82.9
Mining and construction	25	100.0	8.0	--	92.0
Manufacturing					
Durable	52	100.0	13.5	5.8	80.7
Nondurable	59	100.0	15.3	3.4	81.3
Transportation and utilities	25	100.0	20.0	4.0	76.0
Trade	39	100.0	10.3	--	89.7
Finance, insurance, and real estate	3	100.0	*	*	*
Services	26	100.0	7.7	3.8	88.5
Government	28	100.0	10.7	14.3	75.0

* Percentages have not been computed because of the small number of cases.

[a] Total excludes establishments not reporting information on relative wage rates and establishments not employing blue-collar workers.

Table 10 - 8

Estimated Relation of Wage Rates Paid by Establishment to Rates Paid by Other Bay Area Establishments Engaged in Similar Activities, for Three Occupation Groups, by Number of Employees -- Bay Area Employer Policy Survey, 1967

Number of employees	Total		Higher	Lower	About the same
	Number	Per cent			
White-collar workers					
All establishments[a]	292	100.0	30.1	4.5	65.4
Less than 250	125	100.0	28.8	4.0	67.2
250 to 499	66	100.0	25.8	6.1	68.1
500 to 999	47	100.0	38.3	--	61.7
1,000 to 1,999	27	100.0	33.3	3.7	63.0
2,000 or more	27	100.0	29.6	11.1	59.3
Blue-collar workers					
All establishments[a]	257	100.0	12.8	4.3	82.9
Less than 250	112	100.0	14.3	5.4	80.3
250 to 499	58	100.0	12.1	3.4	84.5
500 to 999	41	100.0	14.6	--	85.4
1,000 to 1,999	22	100.0	9.1	--	90.9
2,000 or more	24	100.0	8.3	12.5	79.2
Service workers					
All establishments[a]	188	100.0	10.6	3.7	85.7
Less than 250	67	100.0	13.4	4.5	82.1
250 to 499	48	100.0	10.4	2.1	87.5
500 to 999	33	100.0	9.1	--	90.9
1,000 to 1,999	17	100.0	5.9	11.8	82.3
2,000 or more	23	100.0	8.7	4.3	87.0

[a]Total excludes establishments not providing information on relative wage rates and establishments not employing the specified occupation group.

but, in fact, proved to follow no very consistent pattern (Table 10-8). Although there appeared to be some tendency for the proportion reporting higher rates to decline with increasing size of the establishment, this actually reflected chiefly the tendency for very large establishments (or, in the case of service workers, the next to largest size group) to report lower rates in a greater than average proportion of cases. And a comparison of the three tables strongly suggests that this probably reflected the inclusion of a number of government agencies in these larger size groups. It will be recalled that the government portion of our sample tended to include somewhat larger establishments than some of the other major industry groups.

Although we might have obtained a somewhat different pattern of variation if establishments with fewer than 100 employees had been included in the sample, the pattern that emerges among these larger establishments appears to be one of a certain amount of deviation above prevailing rates, but very little deviation below prevailing rates. This is not a surprising pattern in a highly unionized area. Interestingly, also, the only major industry group with an above-average proportion of establishments reporting lower rates was relatively nonunionized government, while highly unionized transportation and utilities included a comparatively large proportion reporting higher rates and highly unionized construction was characterized by an unusually large percentage of establishments reporting prevailing rates.[3]

Wage comparisons with other areas. The fact that wage rates in the Bay Area have historically tended to be relatively high, as compared with other areas, was mentioned in the discussion of locational advantages and disadvantages in Section III. Establishments associated with organizations which had branches in other areas were asked to indicate how their wage rates compared with those of branches in other areas -- again for white-collar workers, blue-collar workers, and service workers.

In commenting on white-collar wage rates, very few, indeed, of these establishments indicated that their wage rates were lower than those of branches of their organization in other areas (Table 10-9). Slightly more than half of the respondents thought they were higher, while most of the others considered them to be about the same. The proportion reporting their rates as higher was especially large in retail trade, which may well reflect the fact that unionization of retail trade tends to be weaker in most other areas than in the Bay Area. On the other hand, establishments in transportation and utilities, an industry group with a relatively high degree of unionization throughout the country, were relatively unlikely to report their wage rates for white-collar workers as higher than those in other areas, whereas two-thirds of these establishments indicated that their white-collar wage rates were about the same. Interestingly, also, establishments in durable goods manufacturing were relatively likely to report higher wage rates for white-collar workers.

In the case of blue-collar workers, the proportion of establishments reporting relatively high wage rates, as compared with branches of their organization in other areas, was somewhat larger than in the case of white-collar workers, whereas in the case of service workers the pattern appeared to be about the same as in the case of white-collar workers (Table 10-10). But in both cases, variations among major industry groups were similar to those prevailing for white-collar wage rates, although some of the major industry groups

Table 10 - 9

Estimated Relation of Wage Rates Paid by Establishment to Rates Paid by Branches of Organization in Other Areas, for White-Collar Workers, by Major Industry Group --
Bay Area Employer Policy Survey, 1967

Major industry group	Total		Higher	Lower	About the same
	Number	Per cent			
All establishments[a]	185	100.0	51.9	2.2	45.9
Manufacturing					
Durable	40	100.0	67.5	--	32.5
Nondurable	45	100.0	51.1	--	48.9
Transportation and utilities	18	100.0	33.3	--	66.7
Retail trade	17	100.0	76.5	--	23.5
Finance, insurance, and real estate	18	100.0	55.6	--	44.4
All other industries	47	100.0	36.2	8.5	55.3

[a]Total excludes establishments not reporting information on relative wage rates and establishments with no branches of the organization in other areas.

Table 10 - 10

Estimated Relation of Wage Rates Paid by Establishment to Rates Paid by Branches of Organization in Other Areas, for Blue-Collar and Service Workers, by Major Industry Group -- Bay Area Employer Policy Survey, 1967

Major industry group	Total		Higher	Lower	About the same
	Number	Per cent			
Blue-collar workers					
All establishments[a]	155	100.0	57.5	0.6	41.9
Manufacturing					
Durable goods	39	100.0	74.4	--	25.6
Nondurable goods	44	100.0	63.6	--	36.4
Transportation and utilities	16	100.0	18.8	--	81.2
Retail trade	15	100.0	73.3	--	26.7
All other industries	41	100.0	43.9	2.4	53.7
Service workers					
All establishments[a]	108	100.0	53.7	0.9	45.4
Manufacturing					
Durable goods	30	100.0	70.0	--	30.0
Nondurable goods	27	100.0	51.8	--	48.2
Retail trade	15	100.0	60.0	--	40.0
All other industries	36	100.0	38.9	2.8	58.3

[a]Total excludes establishments not reporting information on relative wage rates, those with no branches of the organization in other areas, and those not employing the specific occupation group.

represented in Table 10-9 were not shown separately in Table 10-10, because too few of the establishments employed the relevant types of workers to yield reliable distributions.

Of particular interest are the responses to our next question, which asked interviewees in establishments with relatively high rates in the Bay Area for any of the three groups of workers to indicate whether they considered their higher wage rates to be offset by other factors, such as higher productivity or lower transportation costs. In reporting on the answers to this question, we have confined the analysis to manufacturing establishments, which are considerably more likely to be engaged in interarea and interregional competition than those in most other major industry groups. Moreover, in an attempt to determine whether the relatively rapidly expanding machinery and aerospace industries showed a different pattern from other durable goods industries, we have distinguished between these two groups. Actually, it would have been preferable to consider the aerospace industries alone, but there were too few establishments in the group to yield meaningful results. Similarly, within the nondurable group, food and other nondurables have been distinguished.

The results for blue-collar workers are presented in Table 10-11. The results for white-collar workers and service workers, as they related to the presence or absence of offsetting factors, were not sufficiently different to warrant inclusion of separate tables relating to them.

First of all, the proportion of establishments in the machinery and aerospace group reporting higher wage rates in the Bay Area was appreciably higher than in the "other durable" group. Interestingly the explanation of this difference appears to lie chiefly in the fact that in the "other durable" group, which was more highly unionized, it will be recalled (Table 6-1), the establishments reporting that their wage rates were about the same as those in other areas were nearly all in industries whose blue-collar workers were in large industrial unions which had nationwide collective bargaining contracts imposing uniform wage rates throughout the nation. Such collective bargaining contracts clearly have a tendency to protect the Bay Area from a competitive disadvantage associated with its historical pattern of high wage rates.

The durable goods establishments reporting higher wage rates were almost equally divided between those that indicated no offsetting factors and those that reported factors partly or wholly offsetting the higher rates. However, establishments in the machinery and aerospace group were more likely to report higher productivity, chiefly of blue-collar workers, whereas there was a slight tendency for relatively more of the establishments in the other durables group -- likely to be involved in the production of bulky commodities -- to mention lower transportation costs as an offsetting factor. A number of those mentioning lower transportation costs -- in both durable and nondurable industries -- pointed out that it was lower transportation costs within the area, as compared with branches in other areas, that they had in mind. California's highly developed system of freeways probably plays a role here.

The picture in the nondurable goods sector tended to be considerably bleaker, with a substantial proportion of the establishments that reported relatively high wage rates indicating that the higher rates were not offset by <u>any</u> other factor. It will be recalled that the establishments in the

Table 10 - 11

Estimated Relation of Blue-Collar Wage Rates in Bay Area to Those of Branches of Organization in Other Areas, and Extent to Which High Wage Rates Are Offset by Other Factors, Selected Industry Groups Within Manufacturing -- Bay Area Employer Policy Survey, 1967

Wage relationship and offsetting factors	Total	Durable			Nondurable		
		Total	Machinery and aerospace[b]	Other	Total	Food	Other
All manufacturing establishments[a]							
Number	85	40	15	25	45	24	21
Per cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Wage rates about the same	30.6	25.0	6.7	36.0	35.6	33.3	38.1
No comparison possible -- different types of products or operations	2.4	2.5	6.7	--	2.2	4.2	--
Wage rates higher	67.0	72.5	86.6	64.0	62.2	62.5	61.9
No offsetting factors	38.7	32.5	40.0	28.0	44.4	41.7	47.6
Offsetting factors[c]	25.9	35.0	46.6	28.0	17.8	20.8	14.3
Higher productivity	21.2	30.0	33.4	16.0	13.4	16.5	14.3
Blue-collar workers	10.6	15.0	20.0	12.0	6.8	8.3	4.7
White-collar workers	3.5	5.0	6.7	--	2.2	4.2	
Both	7.1	10.0	6.7	4.0	4.4	4.2	4.8
Lower transportation costs	7.1	10.0	6.7	12.0	4.4	4.2	4.8
Proximity to markets	1.2	2.5	--	--	--	--	
Better management	1.2	2.5	--	--	--	--	
Higher quality product	1.2	2.5	6.7	--	--	--	
Information on offsetting factors not available	2.4	5.0	--	8.0	--	--	

[a]Excludes establishments with no branches of the organization in other areas, those for which information on relative wage rates was not available, and those with no blue-collar workers.

[b]Includes nonelectrical machinery, electrical machinery, ordnance, and instruments.

[c]Total percentages for specific offsetting factors exceed total shown in this row, since some establishments mentioned more than one offsetting factor.

nondurable sector tended to be older than those in the more rapidly expanding durable goods sector. And in this context, a comment of a representative of one of these firms is particularly interesting:

> Historically, workers in this plant were considerably more productive than those in eastern branches. However, the difference in productivity has narrowed appreciably. Nevertheless, this branch is likely to be maintained because of the investment in it. Moreover, our products have been adapted to the special needs of the California market (chemical products).

Another respondent, this time in a relatively small firm in the durable goods sector, commented:

> There are no offsets at all, and no locational advantages whatsoever. We are here simply because we got started here 40 years ago (nonelectrical machinery).

Incidentally, both of these firms were in central city areas.

On the other hand, among nondurable goods establishments mentioning the offsetting factor of higher productivity, there were three -- all of them manufacturing various food products -- that specifically mentioned lower unit labor costs associated with superior equipment or mechanization.

A particularly interesting aspect of these findings is that higher productivity appeared to be playing a relatively important role in the comparatively young and rapidly expanding machinery and aerospace group. This was probably related to the greater likelihood that these establishments had relatively new plants and modern equipment.

The linkage of Bay Area establishments with those in other areas. Before leaving the subject of interarea wage differences, it is important to recognize that the results of the question on which Table 10-11 is based also shed additional light on a phenomenon of great interest -- the extent to which these larger Bay Area manufacturing establishments were parts of organizations that had branches in other areas. This information was to some degree obscured in our data relating to type of organization (Table 6-15), since branch units could either be branches of organizations confined to the Bay Area or organizations that were not confined to the Bay Area, and the same could be true of headquarters units. But the responses to the question on interarea wage differences indicated clearly which establishments were parts of organizations with branches in other areas (Table 10-12).

This analysis indicates that more than three-fourths of the establishments were parts of organizations with branches in other areas. Moreover, the proportion was very high in all four of the groups of manufacturing industries included in the table, but was especially high in other durable goods industries and in food and kindred products. Moreover, 46.3 per cent of the manufacturing establishments in our sample were branch units of organizations with branches in other areas. (Not all of them, however, were branches of organizations whose headquarters were in other areas.) Somewhat less than a fifth were

Table 10 - 12

Manufacturing Establishments With and Without Branches of Organization in Other Areas, by Type of Organization, for Four Industry Groups -- Bay Area Employer Policy Survey, 1967

Existence of branches in other areas and type of organization	Total	Durable			Nondurable		
		Total	Machinery and Aerospace	Other	Total	Food	Other
All manufacturing establishments							
Number	119	57	22	35	62	28	34
Per cent	100.0	100.0	100.0	100.0	100.0	100.0	100.0
No branches in other areas	23.5	24.6	31.8	20.0	22.6	10.7	35.3
Single unit	9.2	12.3	13.6	11.4	6.5	3.6	8.8
Branch unit	6.7	8.8	18.2	2.9	4.8	--	8.8
Headquarters unit	7.6	3.5	--	5.7	11.3	7.1	17.7
Branches in other areas	76.5	75.4	68.2	80.0	77.4	89.3	64.7
Branch unit	46.3	49.1	31.9	60.0	43.6	46.4	41.2
Headquarters unit	19.3	22.8	31.8	17.1	16.1	14.3	14.7
Area, regional, or divisional headquarters	10.9	3.5	4.5	2.9	17.7	28.6	8.8

headquarters units with branches in other areas, while a small proportion were area, regional, or divisional headquarters.

Although we have not conducted a thorough search for comparable data relating to earlier periods, there would seem to be little question that locally-owned, single-unit establishments would have made up a larger proportion of establishments with 100 or more employees three or four decades ago. In many instances, our respondents indicated that their establishments had at one time been locally owned and operated but had later become branches or subsidiaries of organizations with headquarters in another area. On the other hand, some of the Bay Area headquarters units in our sample had established branches in other areas at some time in the postwar period. The information gathered in our interviews on this process merit further exploration, perhaps in the form of a doctoral thesis.

The implications of this shift in the pattern of ownership and control of Bay Area manufacturing establishments are obviously of great importance. Only a few comments relating to them can be made at this point. Higher wage rates in a given area may have quite different implications for an establishment which is a branch of a large national corporation than for a locally-owned single-unit enterprise. A study of the geographical pricing policies of the large national corporations involved and of the structure of competition in the industry would be necessary for a full interpretation of the implications.

Moreover, locational advantages and disadvantages assume a somewhat different character when a large national corporation is deciding whether to acquire a locally-owned firm in the Bay Area or establish a branch there, as compared with the factors that influence the establishment of a single-unit enterprise. It has been customary in economic analysis of the location of manufacturing establishments to distinguish between manufacturing industries that are likely to find it advantageous (1) to locate near their markets, (2) to locate near sources of materials, or (3) to be influenced primarily by other factors, in which case the industry is characterized as "foot-loose." However, the location of branches of large national corporations tends, particularly when consumer goods are involved, to be determined on the basis of access to regional markets. This undoubtedly helps to explain why proximity to markets figures so prominently in the assessment of factors influencing optimal location, for manufacturing establishments as well as for trade and service industries, reported in Section III.

Footnotes to Section X

1. Joint Wage and Salary Survey, Bay Area Salary Survey Committee (annual).

2. See Table 6-1 for proportions covered by collective bargaining agreements.

3. There appears to be some confirmation of such a pattern, but only for the more unionized occupations, in the data compiled by the U. S. Bureau of Labor Statistics in its wage surveys in the San Francisco-Oakland Metropolitan Area. See, for example, Area Wage Survey: San Francisco-Oakland, California Metropolitan Area, January, 1967, U. S. Bureau of Labor Statistics, Bulletin No. 1530-36 (Washington, D. C.: U. S. Government Printing Office, 1967). However, the proportion of workers receiving wages below what appear to be the prevailing rates is somewhat larger than our responses suggest. This difference may very well be explained by the inclusion of smaller establishments in the BLS surveys. Other wage and salary surveys published in the area are not useful for the purpose of studying patterns of variation, since the results are published in terms of the median, inter-quartile range, etc.